Streamlining A Key Healthcare Process To Enable Growth

How we helped redesign a healthcare company’s order-to-cash process, increasing transaction capacity, improving operating efficiency, and enabling the company to grow its business without increasing costs.

A major health products and services company was experiencing a common industry challenge: the cycle from initial product order to revenue collection was long and inefficient. In this case, it was taking 110-120 days to collect payment on an order. The company needed to accelerate the revenue cycle and collect payment sooner. In addressing this issue, the company also saw an opportunity to upgrade the full process, enabling it to complete more transactions without adding capacity.

The company engaged us to analyze the entire process and design a better and more efficient solution. Working closely with the client, we conducted a comprehensive assessment using value-stream mapping, a lean enterprise technique for optimizing processes.

**AT A GLANCE**

A major health products and services company needed to improve its revenue cycle management process, to boost operating efficiency and help the company grow without increasing costs. We helped implement a better work flow and designed new processes and procedures for sales to ensure better quality.

**Outcomes:**

- Increased billed claims value to $3.7 million.
- Time to collect reduced by 29%.
- First-time finalization increased by 12%.
We recommended and implemented improvements that included a better work flow, standardized order procedures for the sales team, and new measurement systems for key metrics.

Our partnership with the client has strengthened over the years with renewed focus on continuous improvements using all the latest technology levers.

**A TRANSFORMATIONAL APPROACH**

The client needed a transformational approach to improve two key metrics - time-to-collect payment and first-time finalization, in which a process is finalized correctly the first time.

Our process excellence team, with specialists in Lean Six Sigma, analytics and process automation, conducted workshops with the client and identified the business challenges and the levers we would need to focus on.

We conducted a value-stream mapping exercise (VSM) to map adjacent processes across the value chain, identify efficiency opportunities across upstream and downstream processes, identifying non-value-add activities, map touchpoints across the customer lifecycle, and measure key metrics across the value chain including processing, wait and cycle times.

**LEAN SIX SIGMA APPROACH**

Our Lean Six Sigma team designed and implemented numerous process improvements and interventions. These included performance management for the sales staff including a performance scorecard. We designed a new sales education program, as well as a template for sales personnel to ensure complete claim documentation.

We also enhanced the claim system, and introduced measurement systems for key metrics, as well as control measures to ensure the stability and sustainability of improved metrics.

The upgraded processes have enabled the company to expand and take on more business without having to add resources and additional costs.

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