



## Case Study: Healthcare

# Business Process-as-a-Service Improves Health Plan's Financial Wellness

One million-plus member health plan simplifies and automates claims and encounter processes to enhance member and provider experiences while reducing costs and improving revenue streams.

The Centers for Medicare & Medicaid (CMS) are strongly promoting innovative health operations, data interoperability and value-based reimbursement models. Complying with these emerging regulations requires payers offering Medicare Advantage, Medicare Supplement, Managed Medicaid and related prescription drug plans to modernize their systems and capabilities.

That was a difficult challenge for one health payer with more than 1 million members in its government programs. Its aging, extensively customized systems were expensive to operate and maintain. The payer had minimal ability to orchestrate

### At a Glance

A major U.S. healthcare organization entrusts its government health plans to Cognizant's BPaaS solution, automating claims and encounter processing to improve regulatory compliance and upgrade member and provider experiences.

### Outcomes

- Reduced plan administration TCO by 25%.
- Increased encounter utilization monitoring (EUM) acceptance rate from 83% to 95%.
- Reduced call volumes by 15%.
- 99%+ claims pricing accuracy.

# Cognizant®

efficient end-to-end processes because automation rates were low, manual processes were extensive and data structures were not standardized. The consequences included inconsistent preauthorization file loading, low claim-provider matching rates, less throughput, inadequate claims processing turnaround times and inconsistent accuracy in claims pricing.

The payer also had difficulty complying with regulatory requirements due to delays in processing and ensuring the accuracy of encounter data. That put the health plan in jeopardy of receiving sanctions and fines from CMS and its state public health agency.

Its antiquated customer service tools were expensive to operate, and their capabilities did not satisfy members or providers. The payer had poor visibility into claims status and did not have a provider-friendly preauthorization of services portal for its government plans. As a result, call volumes were high. The contact center had minimal interactive voice response (IVR) capabilities, and contact center personnel had limited access to member or provider inquiry history or knowledge bases. The resulting poor member and provider experiences hurt the brand and its standing with CMS.

The health plan turned to Cognizant for a comprehensive yet cost-effective solution that would solve its immediate need for a modern, end-to-end solution as well as provide a foundation for thriving under value-based care.

### **Implementing a new generation of claims and encounter operations**

The payer deployed Cognizant's Business Process-as-a-Service (BPaaS) solution for government programs. The solution delivers Cognizant's TriZetto Facets core administration platform as a hosted service overseen by the client. Working collaboratively with the payer's senior operations executives and drawing on

extensive experience in government health plan administration, Cognizant's team addressed the root causes of claims and encounter issues to improve processing speed and accuracy.

Facets features are fully integrated, reducing the need for customization and enabling streamlined maintenance and standardized processes. Improved system capabilities enabled more straight-through process automation to increase output volume without adding staff. Improved capacity also reduced the payer's claims backlog.

The solution enhanced provider-matching scrubs and algorithms, improving provider matching rates by 3% to 4%. With the authorization load process optimized, none of the plan's authorizations were rejected for invalid procedure codes. The integrated TriZetto NetworX Pricer feature automates claim pricing, so the client achieved more than 99% pricing accuracy for Medicaid claims and reduced claims requiring manual pricing by 2%, all while accelerating the claim processing turnaround time.

In a separate project, Cognizant improved the plan's provider data quality and implemented the Facets Encounter Data Management module. This solution reduced encounter submission rejections, with the encounter utilization monitoring acceptance rate improving from 83% to 92% in just one month. In the next reporting period, that rate improved to almost 95%—the highest the plan had ever achieved. Increased throughput with EDM enabled the submission of more than \$450 million in backlogged encounters, improving the payer's revenue stream.

Modern IVR capacity automates HIPAA authentication and self-service claims, eligibility and material requests by providers and members. Providers and members can now check claims status 24/7. These measures have reduced call volumes by 15% and decreased call time by 30 seconds for 51% of the remaining call volume.

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To further improve the provider experience, Cognizant integrated the preauthorization portal the client used in its commercial lines of business into its government programs. That means providers now work in one portal for all of the payer's plans so they have a consistent experience.

Improved processing speed and data accuracy is helping the client meet regulatory compliance levels and positioning it for success under value-based care and emerging mandated interoperability requirements. Cognizant makes its processes fully visible to the client, who maintains ultimate authority and control over the processes.

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### About Cognizant Healthcare

Cognizant's Healthcare Business Unit works with healthcare organizations to provide collaborative, innovative solutions that address the industry's most pressing IT and business challenges—from rethinking new business models, to optimizing operations and enabling technology innovation. A global leader in healthcare, our industry-specific services and solutions support leading payers, providers and pharmacy benefit managers worldwide. For more information, visit [www.cognizant.com/healthcare-technology-solutions](http://www.cognizant.com/healthcare-technology-solutions).

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### About Cognizant Digital Operations

Cognizant Digital Operations helps clients re-engineer, digitize, manage and operate their most essential business processes, lowering operating costs, improving user experiences, and delivering better outcomes and topline growth. Across the practice, we are creating automated, data-driven platforms and industry utilities. We help clients run better by applying traditional optimization levers, and we help them run differently by creating competitive advantage through making their processes digital-ready, which often leads to more effective operating models and corresponding topline revenue growth. For more information, please visit [www.cognizant.com/cognizant-digital-operations](http://www.cognizant.com/cognizant-digital-operations).

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### About Cognizant

Cognizant (Nasdaq-100: CTSH) is one of the world's leading professional services companies, transforming clients' business, operating and technology models for the digital era. Our unique industry-based, consultative approach helps clients envision, build and run more innovative and efficient businesses. Headquartered in the U.S., Cognizant is ranked 194 on the Fortune 500 and is consistently listed among the most admired companies in the world. Learn how Cognizant helps clients lead with digital at [www.cognizant.com](http://www.cognizant.com) or follow us [@Cognizant](https://twitter.com/Cognizant).



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