Healthcare case study

Automation saves healthcare leader $14M, delivers 2.6X ROI

Scaling process automation across nearly a dozen business units boosts efficiency, frees employees for higher-value work and engages citizen developers to drive adoption.

The challenge

Our client, a large US-based managed healthcare organization, sells traditional and consumer directed healthcare insurance and related products such as medical, dental and behavioral health services. The company currently serves approximately 24 million members via medical, pharmacy and dental plans and is dedicated to helping people on their path to better health.

Although the company established a centralized Center of Excellence (CoE), business groups were still operating in a highly federated manner. The client's operations and automation funding were completely decentralized, making it necessary to have focused education, automation and change management efforts.

Our client's transformation journey required automating processes end-to-end across key business units, including Claims Operations, Provider, Behavioral Health, Clinical Operations, Underwriting, and more.

We were chosen as the preferred strategic partner implementation because of our leadership in intelligent process automation (IPA) and expertise with the automation vendors used in the organization. The focus of this engagement was on integrating disparate automation systems and data, improving the compliance review mechanism and making workforce processes more efficient.

At a glance

A large managed healthcare company with 24 million+ members began its automation journey with a nascent RPA CoE and a lack of RPA awareness in its business team. Cognizant partnered with the company's RPA CoE, IT partners and frontline business leaders to further momentum in the intake and ideation process. Our lean assessment methodology and systematic workshops boosted RPA awareness and increased the adoption rate exponentially.

The transformation achieved the following results:

- Automated at scale 105 processes across nearly a dozen business units
- Automated manual tasks, enabling the team to focus on higher value work
- Generated nearly $14M year-over-year savings
- Generated a 2.6X ROI

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Our assessment revealed several challenges that the client wanted to address:

- Inefficient labor utilization due to time-consuming data entry and manual validation, performed by both offshore vendors and in-house staff

- Compliance issues due to the lack of a review mechanism for correspondence, denial, acknowledgement and case-related letters

- Absence of a highly scalable solution to handle high-claim seasons, and a reduction in onboarding and training time to handle the increase in work volume at a minimal cost

- The need to reduce cycle time for the company's go-to-market strategy

The solution

We proposed an end-to-end strategy that includes robotic process automation (RPA) and analytics to scale automation across multiple business units, close the compliance gap, reduce costs and improve employee efficiency.

The strategy included four key areas:

Ideation workshops – Conducted foundational automation training and idea generation with 200+ business users that produced approximately 130+ ideas.

Assessment and discovery – We deployed discovery using product-oriented delivery (POD) for lean assessment and to create a book of work for qualified ideas, and conducted automation assessments in partnership with the client's robotic process automation (RPA) CoE. The discovery phase identified potential processes to automate with a focus on the business unit that manages pharmacy benefits across several functions. The functions spanned enrollment to coverage determination and appeals, to customer care and other functions.

Self-funded teams – We implemented the Agile MVP based automation approach to deliver value over value, using the business that was able to realize savings quickly with

readily available opportunities. This savings was further invested to automate much bigger, more complex automations to generate more savings.

Optimized workforce for higher value work – We removed and automated time-consuming tasks such as data entry and the need to consult multiple systems before making decisions, saving employees time. We conducted automation workshops to boost adoption by citizen developers who then could help identify automation opportunities within their business function teams.

Strategy to bring systems together

Following the integration, we extended the new unified platform across membership, service operations, network and provider and Medicare and Medicaid insurance programs. Cognitive automation assessments were conducted to automate data extraction and digitize the flexible benefits management program and underwriting capabilities using a custom machine learning model. Taking the extracted data and writing it to a pre-defined format enables a bot to complete the underwriting process, saving time and effort. The combined value of these automations helped save the company nearly $14 million.

A more efficient workforce

Beyond the immediate savings, the new optimized workforce can apply their specialized medical backgrounds to more business-impacting work. For example, now specialized nursing staff rarely, if ever, do data entry during clinical claims review. Instead, they only settle decisions that truly require a nurse's expertise.

More optimization in review eliminates the need to look at three different systems to make a decision, and this gives nurses more time to focus on core tasks, saving time previously spent reviewing and approving.

An automated analytics-driven demand capacity and planning solution for business operations provides a visual dashboard of demand capacity to help manage and balance the workforce. The solution also provides automated data feeds and self-service analytics.

Implementing with speed and agility

We implemented a POD model using a cross-functional team of Cognizant staff comprised of dedicated roles and complementary skills to speed implementation and add agility. Success of this model led to replicating PODs across other business units, to handle everything from discovery to implementing new automations.

We conducted employee workshops in partnership with the RPA CoE team to boost automation adoption by business teams. The citizen development model helped implement complex use cases that required specific skillsets in a very short span of time.

Business outcomes

By implementing a range of dynamic, scalable automation solutions, our client now uses bots to scrape data from several sources, including mainframe, desktop, web, API and databases. We delivered several business benefits:

- Completed an end-to-end automation at scale, powered by 450 bots (digital workers) that automate more than 100 business processes across nearly a dozen business units
- Saved $14M year-over-year, resulting from efficiency gains that enable the workforce to focus on higher value work

- Rationalized two automation platforms while maintaining legacy processes
- Achieved a 2.6X ROI

Going forward, our healthcare client is better positioned to meet its goals with unified automation capabilities that support a more efficient workforce and modernized operations that run faster and with greater agility.

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World Headquarters

300 Frank W. Burr Blvd.
Suite 36, 6th Floor
Teaneck, NJ 07666 USA
Phone: +1 201 801 0233
Fax: +1 201 801 0243
Toll Free: +1 888 937 3277

European Headquarters

1 Kingdom Street
Paddington Central
London W2 6BD England
Phone: +44 (0) 20 7297 7600
Fax: +44 (0) 20 7121 0102

India Operations Headquarters

#5/535 Old Mahabalipuram Road
Okkiyam Pettai, Thoraipakkam
Chennai, 600 096 India
Phone: +91 (0) 44 4209 6000
Fax: +91 (0) 44 4209 6060

APAC Headquarters

1 Changi Business Park Crescent
Plaza 8@CBP # 07-04/05/06
Tower A, Singapore 486025
Phone: + 65 6812 4051
Fax: + 65 6324 4051

CS734102