



Healthcare case study

Facets core system improves health plan processes

The modern technology in Facets helps a health plan mitigate the negative effects of a legacy system, resulting in improved member experiences and brand reputation.

The challenge

Our client, a large regional health plan serving more than two million members in the midwestern US, was operating on a 30-year-old legacy system that lacked the flexibility and scalability needed to keep pace with changing regulations, high claims volumes and consumer expectations. As a result, it faced adverse business consequences such as fiscal penalties and reduced credibility and trust with providers and members alike.

Consequences of a legacy system

The existing system failed to support the plan's core business and was unable to deliver business fundamentals due to lack of automation, inaccurate benefits configuration and sluggish, inaccurate provider reimbursements. Over time, the adverse effects began to multiply. These included fiscal penalties from regulatory agencies, a pending claims inventory that hit an all-time high and increased costs that included months of overtime for employees.

At a glance

Industry

Healthcare technology services

Location

United States

Challenge

Core system migration to eliminate claims backlog, fiscal penalties and high operating costs resulting from a sputtering legacy system to improve member experiences and rebuild market reputation

Products and Services

- TriZetto Facets core administration system
- Cognizant Consulting

Success highlights

- Achieved 95% auto-adjudication
- Achieved 98% first-pass accuracy
- Reduced claims backlog by 97%
- Regained credibility with employer groups
- Protected leading market position

In addition, the employer group and plan member experiences were harmed. Providers experienced fiscal consequences because of reimbursement delays. The health plan's reputation was being damaged, and it was in danger of losing market share to competitors and startups.

The approach

The health plan turned to Cognizant for solutions to address its immediate challenges and to gain the flexibility it needed to adapt to new regulations, such as data interoperability and price transparency. The company also needed scale and power capabilities to meet new industry opportunities. We managed the client's migration to TriZetto® Facets®—Cognizant's next-generation core administration system that integrates consumer, care, claims and revenue management in a flexible platform—carried out business process optimization and established a benefits automation center of excellence (BCoE) to help achieve these goals.

Rebuilding brand reputation from the core

Our client entered a multiyear contract with Cognizant to address key business needs through the BCoE to rebuild its internal processes and, ultimately, its brand reputation. The client needed to improve the accuracy of benefits

configuration to ensure its groups and members received the coverage they selected. It also needed to improve the timing and accuracy of reimbursements.

Two key strategies were outlined to achieve these goals, migrating to the Facets platform and optimizing processes. The critical focus areas included:

- **Automation.** The BCoE automated the design, build and test steps and eliminated many manual tasks using scripts and portals.
- **Process reengineering.** Work here included reducing handoffs and developing bulk processing options and specialized solutions for different lines of business.
- **Best practices and standards.** We worked with the client to specify and implement best features and standards in Facets based on industry benchmarks.
- **Data simplification.** Reducing data complexity, removing redundant data and maintaining cleaner data environments improved efficiencies and operations management.
- **Proven configuration methodology.** An outcomes-based methodology and frequent-root-cause analysis helped streamline end-to-end benefit configuration responsibility.



“By combining our internal expertise and knowledge of our products and groups with Cognizant’s Facets knowledge, industry best practices, automation capabilities and ability to scale, we were able to turn around a very challenging situation and deliver on our brand promise to our members.”

SVP of Operations, large regional health payer

Business outcomes

The client saw meaningful improvements across all target areas within the first year of migrating to Facets. Customer feedback validated the improvements in end-to-end configuration turnaround time, quality and system operations. Productivity improvement continued in the second year with several notable improved efficiencies.

Initial outcomes improve experiences and satisfaction

Each of the client's leading metrics had a direct impact on the quality of its member and group experiences. For example:

- Auto-adjudication rates improved by 16% to reach 95%
- First-pass accuracy reached 98%, a 25% improvement
- Claims backlog dropped from 650,000 to less than 20,000, an improvement of more than 97%

The client was also able to quickly ramp up processes for managing individual policies and renewals during the coverage upheavals that resulted from the economic effects of COVID-19. By adopting a modern core platform that powers more automation and best practices, health plan leaders say that the company is not only regaining credibility and trust among its customers but also poised to retain and grow its market share.

Additional efficiencies realized

The client continued to see improvements in the second year after implementation, supplementing the initial gains. For example:

- Year-over-year productivity improved, allowing a 50% staffing reduction in three years
- Peak period inventory decreased by 94%
- Required peak period benefit claims resources were reduced by approximately 90% since implementation
- Number of claims remediated decreased by 60%

"From the onset with Cognizant, we have been aligned and have showcased the power of a great partnership. We as a company are in a much better place and continue to improve. We look forward to continue working closely with Cognizant on this transformation journey."

Director, Benefits and Documents,
large regional health payer

For more information, visit <https://www.cognizant.com/us/en/trizetto/core-administration/facets>



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