Client:
One of the Leading Healthcare Information and Research companies providing a line of clinical and cost management solutions. They employ more than 8,100 professionals worldwide, including consultants, medical doctors, nurses, actuaries, biostatisticians, certified coders, epidemiologists, economists, engineers, software developers and many other experts who bring their skills together to create powerful and innovative solutions for their clients.

Our Client’s services include Subrogation and Injury Coverage Coordination (ICC) / Coordination of Benefits (COB). Subrogation and recovery services are for medical benefit expense payments when the medical treatment was the result of an accident or injury caused by a third party for motor vehicle accidents, property liability or product liability, medical malpractice, and disputed worker’s compensation cases. ICC involves coordinating medical benefit expense payment with P&C insurance carriers providing workers’ compensation, medical payments, or personal injury protection (PIP) coverage.

CLIENT
A Leading Healthcare Services Company

CHALLENGE
• Significant revenue loss due to high cost of operations

SOLUTION
• Utilized Global Delivery Model
• Process Re-engineering from a case based to an activity based approach
• Deployed analytics to identify cases with high probability of recovery

BENEFITS
• Significant cost reduction due to deskilling of the process
• Improved Recovery Rate
• Exceeded recovery target by over 50%
**Business Challenge:**

Healthcare costs account for an estimated 30% of national personal automobile liability, personal injury protection (no-fault), medical payments coverage, and uninsured/underinsured motorists losses combined; and an estimated 20% of all personal automobile losses. Subrogation cases typically have a recovery potential of 4% for claims greater than $500 and average settlement is 40%-45% of recovery potential. Also typically the cost of pursuing cases under $2000 is generally greater than the revenue they generate.

Our Client’s Subrogation team was losing significant revenue opportunity due to the high cost of pursuing subrogation cases with less $1200 value.

**How Cognizant Helped:**

Cognizant utilized its **Global Delivery Model** for delivering Subrogation services from offshore. This directly resulted in changing the ROI model for the Client thus reducing the threshold value of subrogation cases which could be profitably pursued for recovery from $1200 to $800.

Cognizant identified process rationalization opportunities to reengineer the workflow from the existing case-based approach to an activity-based approach. The whole process flow was divided into 3 major activities: Case Triage, Case Setup and Negotiation. Instead of highly experienced resources handling the entire end-to-end process, people with the optimum skills were deployed to handle the appropriate activities. For example, we deployed lower skilled resources to manage Case Triage and Lawyers / Paralegals for Negotiation. This resulted in additional cost savings through FTE cost rationalization and improvement in productivity. The decomposition into sub processes also resulted in a significant increase in the recovery rate/settlement ratio from 65% to 95% in small value claims. This led to further lowering of the threshold value to $500.

In addition, Cognizant utilized the analytics team to identify diagnosis codes and their combinations that have a higher probability of recovery and corresponding lower false positive rate. Cognizant used this focused diagnosis code approach to minimize cost of contact for the <$500 claim range. This allowed Cognizant to lower the threshold value to $300 for those specific diagnosis codes.

**Passion for Building Stronger Businesses:**

Cognizant helped the Client change the ROI model by utilizing Global Delivery Model, Deskill the Process, Improving Recovery Rate and a Focused Diagnosis Code Approach. This allowed our Client to capture the revenue opportunity in the lower dollar value claims of $1200 and below. The result was that the team has been able to recover $10 Mn in 2008 against Client expectations of $6 Mn.
About Healthcare:
Cognizant has a strong Healthcare business segment with over 11000 associates and it represents approximately 24% of our total revenues. Healthcare is an area of strategic focus industry for Cognizant. Cognizant is ranked as the 11th largest healthcare service provider by Healthcare Informatics magazine and is also the largest offshore service provider in this industry. Cognizant has over 60+ clients including 8 of the top 10 Health Plans and 8 of the top 10 Pharma companies. Cognizant provides services across Sales & Marketing, Member Management, Claims Management and Medical Management.

About Cognizant BPO:
Cognizant BPO currently serves over 40 clients across multiple industries. These engagements are being serviced by more than 4100 associates with more than 40% of them having specialized skill sets such as Healthcare Professionals ((Doctors, Nurses, Pharmacists, etc.), Lawyers, PhD’s, CPA’s and other Industry Specialists. The focus centers around 'Domain Knowledge' and 'Intellectual Arbitrage' rather than pure cost and labor arbitrage and the aim is to deliver 'Business Impact' by delivering significant operational improvements through process reengineering and analytics.

About Cognizant:
Cognizant is a leading provider of information technology, consulting and business process outsourcing services. With more than 40 global delivery centers and over 58,000 employees, we combine a unique onsite/offshore delivery model infused by a distinct culture of customer satisfaction. A member of the NASDAQ-100 Index and S&P 500 Index, Cognizant is a Forbes Global 2000 company and a member of the Fortune 1000 and is ranked among the top information technology companies in Business Week’s Info Tech 100, Hot Growth and Top 50 Performers listings.