Business Intelligence and Analytics Reduced Claims Processing Rework Saving $197 Million

Situation

A global health insurance service company wanted to reduce leakages created by incorrect medial claims handling. To do this, they needed to improve financial and payment accuracy and reduce the number of rework claims being processed. The company's claims processing system needed to be optimized to handle the growing number of claims being submitted annually. Rework claims cost three or four times more to process. This quickly added up to millions in lost revenue annually. The client requested feedback from several of its partners to find a solution. Concentrix's relationship with this client started in 2008 as their second largest vender handling their medical claims operations.

Opportunity

Considering the circumstances of higher claims volumes, coupled with the pressures for improving claims processing speed and accuracy, a business intelligence solution was required. Concentrix had a claims automation tool under development that could augment the work of agents handling the claims. The claims automation solution reduces the number of reworked claims for the client by identifying errors before the processing cycle was complete. The results could save the client time and money while not having to add more agents to the account.

Action

Concentrix began the rework reduction program by analyzing data from reworked claims to identify key issues causing inaccurate processing. Those issues included mistakes imputing service/type codes incorrectly, inaccurate provider information and incorrectly applied contractual allowances. The analyses also uncovered the fact that these errors were being consistently made among most agents servicing the account. These findings were then incorporated into a newly redesigned agent training focused on skills enhancements for those problematic areas.

Next, Concentrix instituted the use of its claims automation proprietary software. The software is an automated error checker that has the capability of scanning nearly 40,000 medical claims per day. High risk claims are captured and flagged through the use of programmed logic. That logic was developed by understanding the totality of the process, product, and agent behaviors in combination with the application of advanced analytics.

In the first three quarters of 2015, the claims automation solution reviewed nearly 9.6 Million claims, catching more than 200,000 potential errors. By identifying errors before the review process ends, Concentrix increased accuracy and efficiency by reducing the number of claims being reworked. The process helped agents reach their PQP (performance quality policy) level, improved productivity and reduced the financial penalties to providers. This proprietary claims automation tool improves over time with algorithm enhancements identified from previous work. The end result is increased accuracy and decreased costs. Plans are underway to expand claims automation use to include the client's dental claims and other platforms starting in 2016.

Concentrix efforts to deliver quality service for this client also led to the creation of an Innovation Council. The council meets regularly and consist of senior leaders from Concentrix and the client. The idea was to provide a collaborative forum to review and discuss ideas that would provide innovative solutions to improve the client's business outcomes. This is accomplished by identifying areas that are challenging to the business and require new and novel solutions to mitigate pain points experienced by the client. It's also a forum for reviewing the benefits of approved innovations as they go through their deployment lifecycle. A Value Creation team is responsible for executing the council's ideas and keeping both companies informed of their progress.

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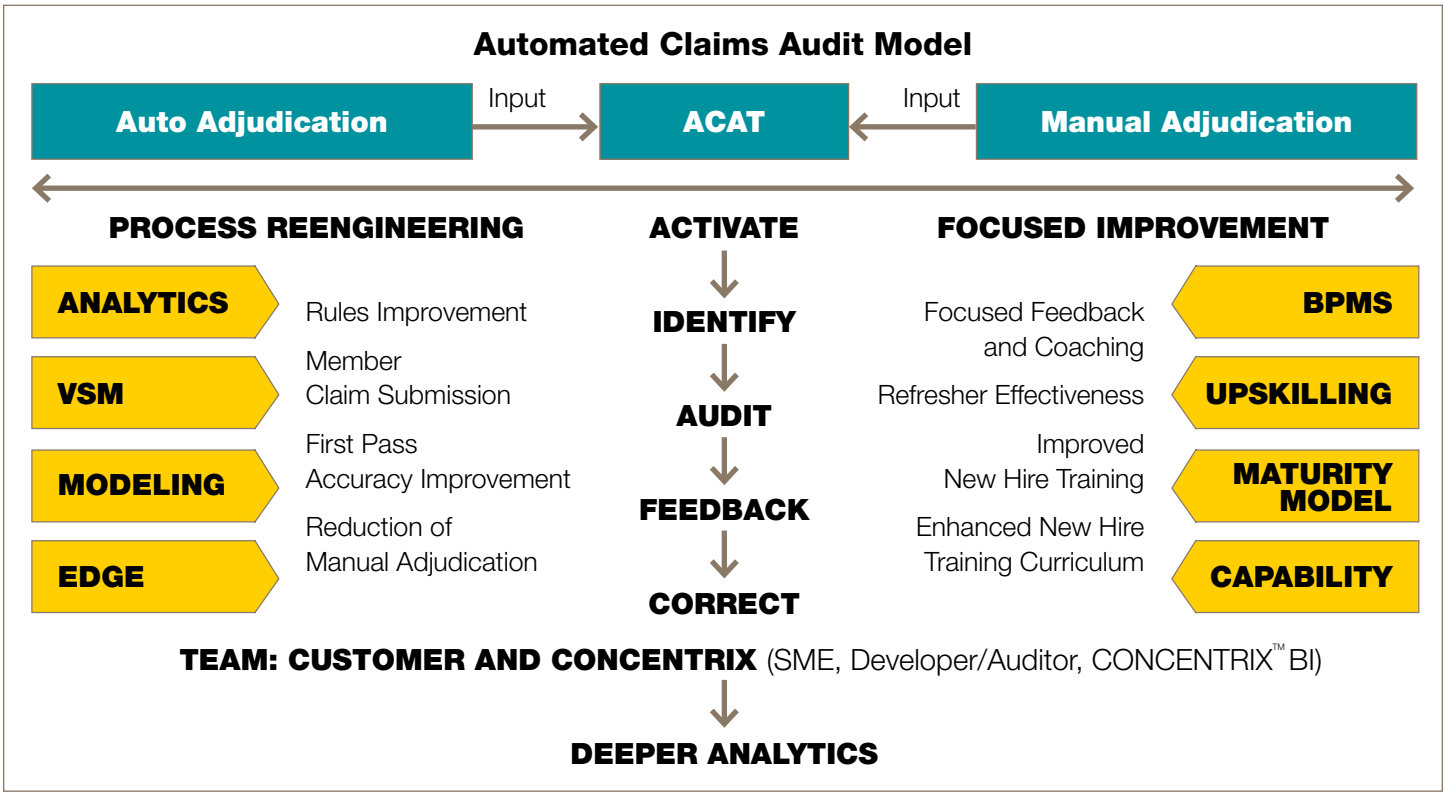

Results

- Financial accuracy of medical claims increased from 98.50% (2012) to 99.98% (2015)
- Claims payment accuracy of medical claims increase from 96.90% (2012) to 99.25% (2015)
- Agent productivity improved 3.26% in 2015 compared to 2014
- 93.98% of medical claims processed in 10 days, a 3.32% improvement from 2014
- Late payment interest reduced by 60% in 2015 compared to 2014
- Completed a "Best in Class" (BIC) assessment for claims processing and identified recommendations to assist this client in reaching BIC across the assessment areas
- Expanded the use of our claims automation solution to new lines of business to further increase the overall savings in incorrect payments
- Became the client's top vendor for turn-around time, percent of claims without an error and overall value
- $42 million saved by reducing incorrect payments in 2014, $93 million in 2015 and $57 million year to date in 2016
- Overall savings to date since inception ~ $197 million, only on medical claims
- The client relationship has more than tripled in the last seven years, making Concentrix the client's number one service provider for claims processing

To learn more, please contact us at **inquiry@concentrix.com** or visit **www.concentrix.com**

ABOUT CONCENTRIX

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