

## **Pega Solutions**

Enabling Claims Transformation at Blue Cross Blue Shield of Michigan

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#### **Agenda**



- Operating Context and Market Imperatives
- Claims Transformation A Holistic Approach
- Business Impacts and Outcomes
- Navigator Product Overview
- Coming Soon...Operational Analytics

## **Operating Context @ Blue Cross Blue Shield of Michigan**



#### Claims Operations

#### **Functional Scope**

- Adjudication
- Adjustment
- RN Review
- BlueCard®
- EOB

#### **FTEs**

- 500 Processors
- 30 RNs
- 10 Management

#### **Annual Volumes**

- 70M Claims
- 50K RN reviews

#### **Performance**

- 99% in 30 days
- 97% OFPR
- 3% manual
- 3.9% adjustment
- 95% PG retention

## **Market Trends and Operational Imperatives**



## Market Trends

- 1. Rise in consumer expectation.
- 2. Pressure on administrative cost intensifying.
- 3. Revenue tied to operational performance increasing.
- 4. Pace of product innovation accelerating.
- 5. Continued government regulations.



Enhance Customer Experience

Adapt to Change Rapidly Improve
Operating
Performance

Protect
Customer
Information

Reduce Operational Complexity

> Sustainably Lower Cost to Serve

## **Claims Transformation - A Holistic Approach**







#### **Claims Transformation - A Holistic Approach**



Performance Management

- Production Standards
- Accountability Policies
- Management Reporting

Organizational Design

- Functional Consolidation
- Unit Lead Role Expansion
- Center of Excellence

Process Optimization

- Replacement Automation
- Modifier 22 Automation
- Unit Pricing Automation
- Electronic EOB Adoption

Technology Enablement







#### **Business Impact and Results**





More Work. Less Cost. Better Outcomes.

- ✓ 28% Increase in Production
- ✓ 13% Decrease in Outsourcing Spend
- 31% Reduction in Aged Inventory
- **✓** 50% Reduction in Missed Performance Guarantees
- Continued Ability to Achieve Quality Targets







## **▼NAVIGATOR** High Level Capabilities



#### **Navigator** Capabilities

#### **Inventory Management.**

Holistic and consistent understanding of work inventory levels.

#### **Process Management.**

Consistent and streamlined business process execution.

#### Work Distribution.

Distribute the right work to the right resource at the right time.

#### **Performance Management.**

Monitor operating metrics and SLAs in real-time.

#### **Configuration** Management. Business driven tuning of business process and rules.

#### **Operational Analytics.**

Insights to enable sustainable process improvements.







#### **Best Practices and Lessons Learned**



# Technology Enablement

- Governance
- Guiding Principles
- Dedicated Leadership
- Integrated Team
- Pega 'Bootcamp'
- Workbasket Design
- Skills Design
- Routing Rules
- Reporting Enablement

BusinessReadiness

- Executive Support
- Just-in-Time Training
- Accelerated Deployment
- Floor Support

- 4 Production Maintenance
- Business and IT Leads
- Dedicated NASCO Support
- Processes and SLAs
- Design Governance

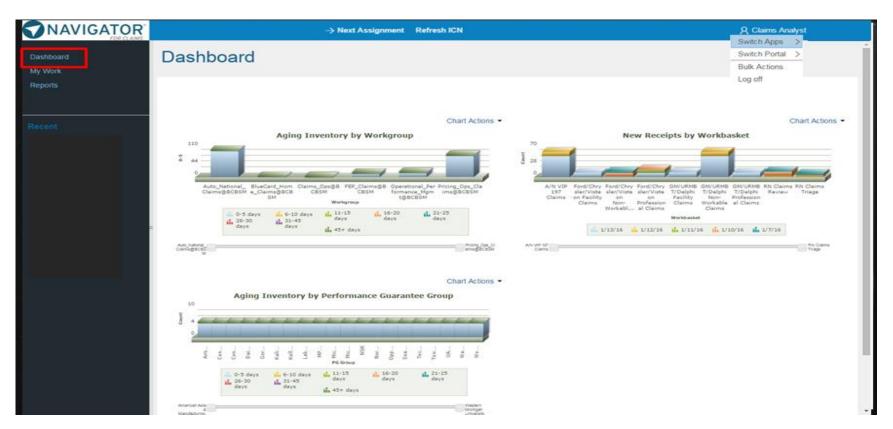
**Design and Configuration** 

**PEGA** 





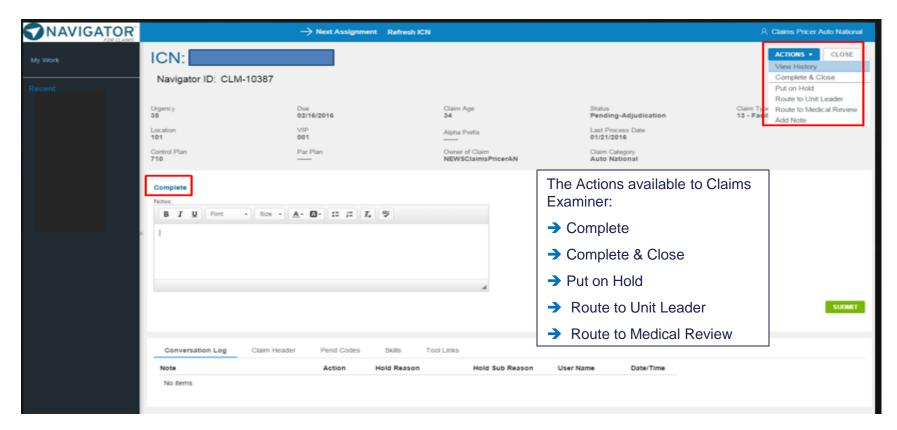










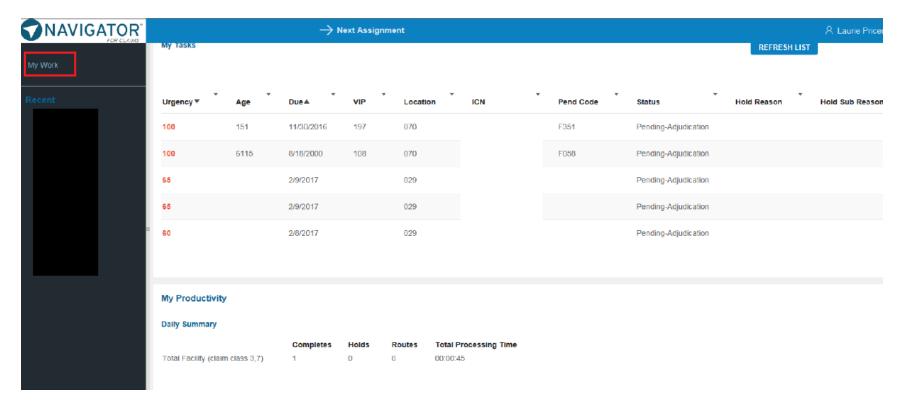






# NAVIGATOR Claims Examiner - My Work



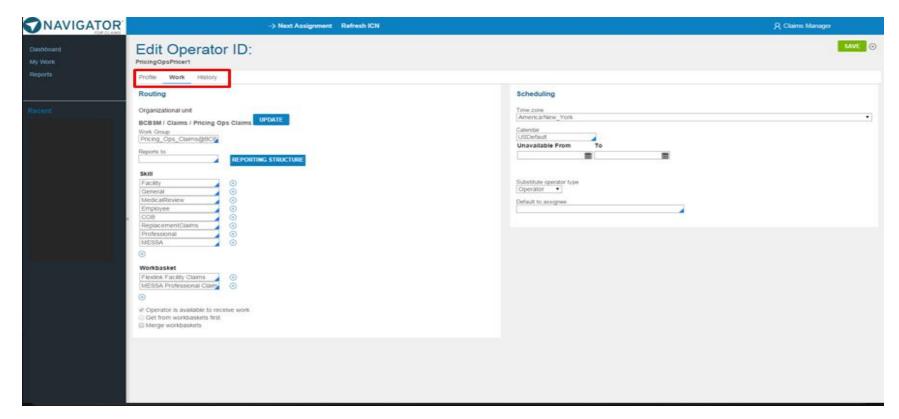






## NAVIGATOR Operator Schedules and Profiles

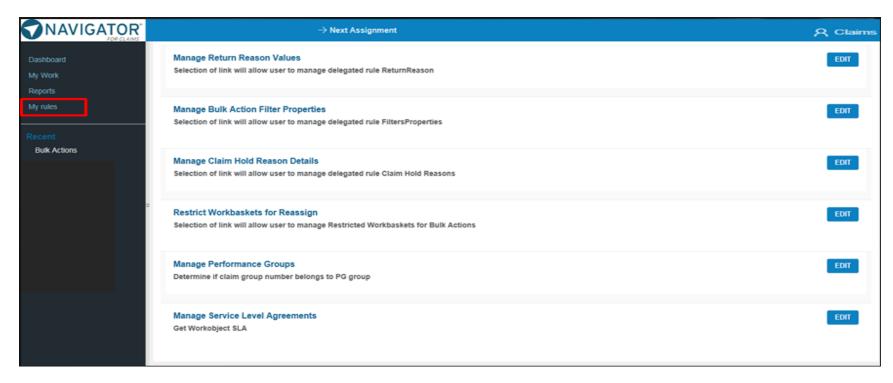








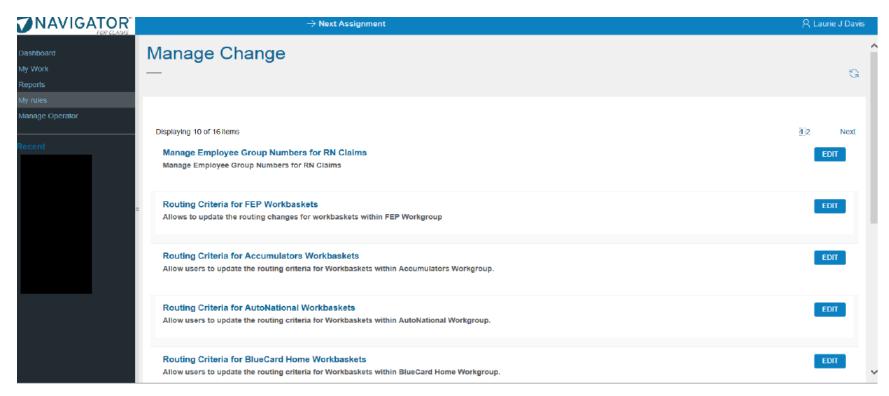














#### **Coming Soon... Operational Analytics**



#### New Insights. New Opportunities. More Value

- Extensive atomic business process transaction data
- Ad-hoc reporting and advanced analytics
- Quick answers to difficult business questions
  - Which procedures generated 80% of the pended claim volume last quarter?
  - Which facilities are more likely to submit claims that pend than others and why?
  - Which values in which attributes on the claim make it more likely to pend than others?
- Unlocking new performance improvement opportunities



# Q & A