



Blue Cross Blue Shield of Michigan & EY US Improving Customer Satisfaction via CMS Star Ratings

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Introductions



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Blue Cross Blue Shield of Michigan



- Blue Cross Blue Shield of Michigan (BCBSM) is the oldest and largest health insurer in Michigan and an independent licensee of the Blue Cross and Blue Shield Association
- Founded in 1939 and headquartered in Detroit, Michigan
- BCBSM provides health benefits to more than 4.7 million members
- The largest network of doctors and hospitals in Michigan

BCBSM's Medicare Advantage

- Seventh largest Medicare Advantage (MA) plan in the US
- Over 776k members in Group and Individual MA, Medicare Supplement and Prescription Drug Plans
- First in the Michigan Group MA market holding 80% share, and second largest Individual MA carrier
- 2023 Star Ratings of 4.5-Star plans, awarded by the Centers for Medicare & Medicaid Services for their Blue Care Network HMO and BCBSM PPO plans



Business problem & assessment and delivery approach

PegaWorld*iN*spire



Member and provider abrasion contributed to CMS Star Rating revenue loss



- A key metric of customer satisfaction is defined by a health insurer's Star Rating, as determined by the Centers for Medicare & Medicaid Services (CMS)
- BCBSM was experiencing a decline in its Star Rating due in part to operational and technical challenges within its Grievances & Appeals process
- CMS only reimburses for rating of 4 or 5
- The overall rating was **3.5 Stars**, which had caused *significant revenue loss* of CMS reimbursements



BCBSM – Senior Health Services

Grievances & Appeals Core issues

Operational inefficiencies

Process gaps and misalignment to roles

Service level agreement adherence issue (star rating impact)

G&A solution/application issues (technical, process & usability)

Methodology gaps with system corrections and enhancements

Reporting and analytics gaps

Organization change management gaps

Impact

- Star Rating decrease
- CMS revenue loss
- Member satisfaction issues
- Internal user experience issues

Pega Grievances & Appeals Challenges



The Pega solution had degraded over a 3-year period and had challenges related to:

System and performance issues

Process and functionality issues

User experience issues

Methodology issues

Adoption issues

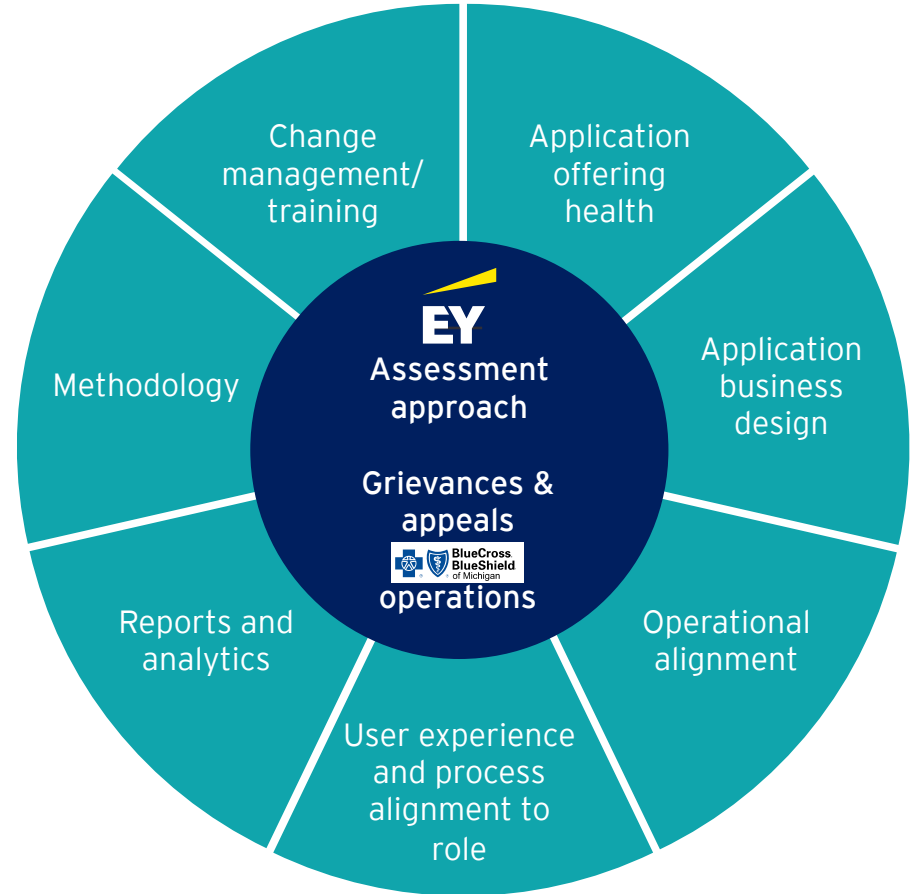
Pega Grievances & Appeals offering and methodology issues

Topic	Issues
System health	<ul style="list-style-type: none">Guardrail had degraded to 35 (95 is minimum)
Application design	<ul style="list-style-type: none">Many scenarios caused “broken cases” the need to be abandon and start new cases (risk to SLAs)Inability to “go back” and correct entries in the processPega’s layer cake architecture not appropriately used
Performance issues	<ul style="list-style-type: none">Correspondence process froze oftenSystem time out and user had to login again often
User experience issues	<ul style="list-style-type: none">The system design and the MD’s requirements were not alignedMany inefficiencies for the user causing extra manual work
Methodology issues	<ul style="list-style-type: none">Lack of product visionDesign misalignment with user needs (MDs not represented)Business did not click through the offering during buildNo formal testing process causing many defects

Assessment approach



- EY US was engaged to conduct an operational and compliance assessment
- Initial operational assessment identified an existing Grievances & Appeals Pega offering to be a core root cause of process, functionality, and reporting challenges and workaround activities
- EY US's Pega practice was engaged to review the offering and technical design, as well as key deliver leading practices (methodology, user experience, etc.)



Correction Plan & execution timeline



In collaboration, EY US and BCBSM defined a plan to correct course.

- **Guardrail correction and refactoring:** the application technical and performance issues were resolved. Pega Design Review service engaged to confirm.
- **Offering Definition & Plan:** to define process corrections and high and medium priority enhancements.
- **User experience correction:** for all key user groups including doctors and nurses.
- **Product owner and agile enablement:** established and mentored on Agile delivery as well as enabling the product owner to make more strategic design decisions.
- **Analytics and reporting:** corrections and enhancements with Tableau and Pega.
- **Other supporting services:** Change Management, training, methodology enablement and PMO coordination.

Delivery activities and timeline

Track	High level tasks	2021	2022
Program Management Office	<ul style="list-style-type: none"> ✓ Program level activity and co-dependency management ✓ Governance management 		
Solution technical quality correction	<ul style="list-style-type: none"> ✓ Corrected guardrail score ✓ Corrected Layer Cake ✓ Pega design review to confirm corrections and system health 		
G&A Solution Definition and Plan	<ul style="list-style-type: none"> ✓ Define process corrections ✓ Define strategic enhancements fully leveraging Pega capabilities 		
G&A application process and functionality corrections			
Methodology correction and enablement of BCBSM	<ul style="list-style-type: none"> ✓ Defined methodology corrections (Agile, Testing, Pega design) ✓ Enabled BCBSM in Agile Pega delivery 		
Analytics and reporting	<ul style="list-style-type: none"> ✓ Defined gaps and areas to enhance ✓ Corrections ✓ Enhancements 		
Organizational Change Management	<ul style="list-style-type: none"> ✓ OCM Strategy & plan ✓ Change Management activity support ✓ Stakeholder communications 		
End-user Training	<ul style="list-style-type: none"> ✓ End-user training strategy & plan ✓ Training delivery 		

Outcomes and benefits



Outcomes and benefits

The BCBSM Grievances & Appeals correction was successful and very well received by the business stakeholders



Tangible Pega Grievances & Appeals offering outcomes

- ✓ **Operational process and functional improvements resulting reducing the average number of days to complete a case by ~ 10 days and improved SLA adherence**
- ✓ **Pega G&A technical offering corrected resolving performance issues resulting in a Pega Guardrail Compliance report of 95**
- ✓ **Pega G&A process and usability corrections and enhancements**
- ✓ **Significant user experience improvements – user friendly driven by the full power of the platform**
- ✓ **Reporting and analytics enhancements utilizing canned Pega reporting and Tableau dashboards and reports**
- ✓ **Effective training, change management and business readiness to facilitate adoption**
- ✓ **Methodology enablement of agile delivery to manage continued functionality development and scalability**

Significant process and user experience improvements



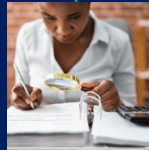
G&A case workers



MDs



Registered nurses



Audit preparation and support

Business and Financial Benefits



- ✓ CMS Star Rating improvement
- ✓ Increased revenue



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