Anthem®

The Transformational Journey of Pega at Anthem

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Anthem

Mission:
Improving Lives and Communities. Simplifying Healthcare. Expecting More.

Vision:
To be the most Innovative, Valuable and Inclusive Partner

Values:
Leadership • Community • Integrity • Agility • Diversity

Anthem by the numbers

749.7 M
claims processed

associates
64,000

$91.3B
operating revenue

47.6 million
service calls

40 Medical membership **million**

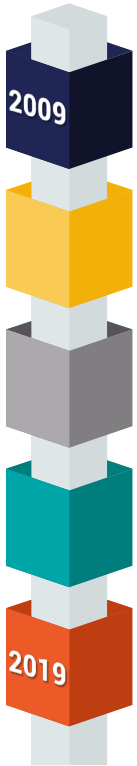
1 in **8** Americans

Access to
95%
of physicians

Access to
96%
of hospitals

Pega @ Anthem

10 years of Pega excellence



1 Pega Application

39 Pega Applications

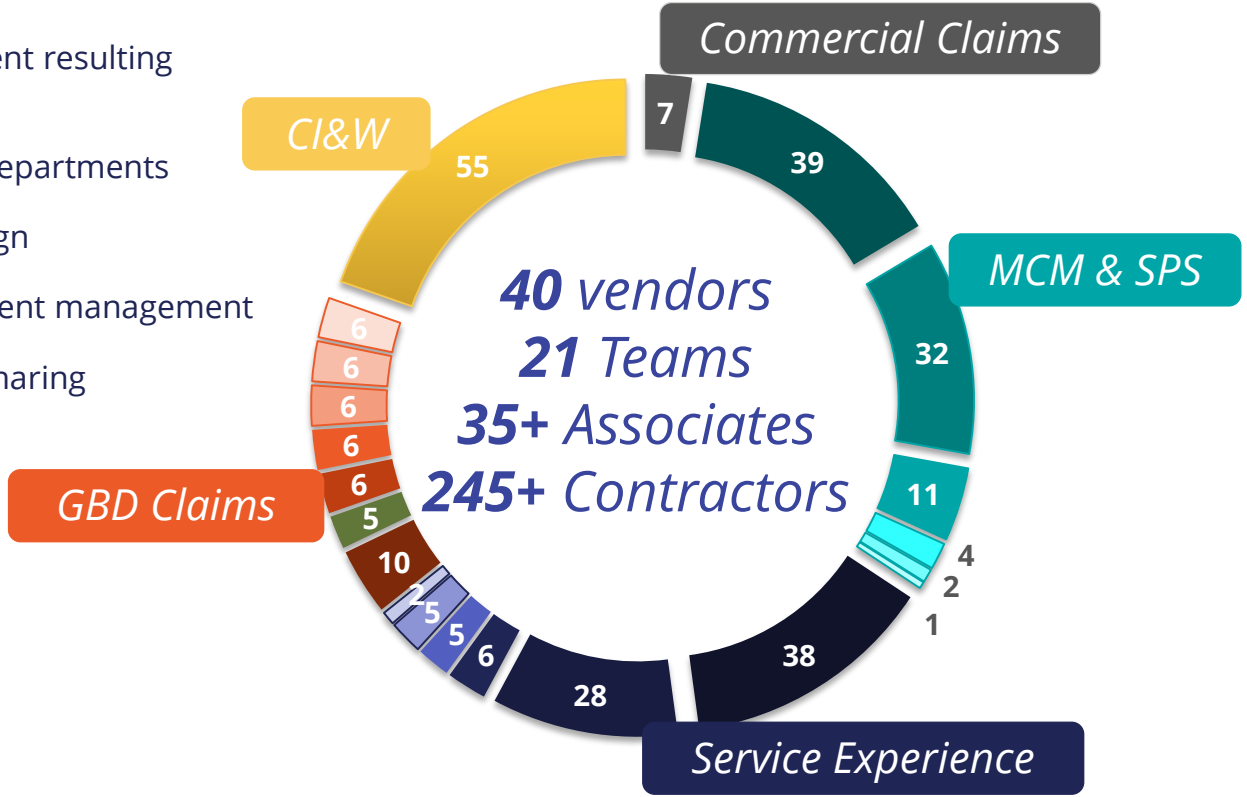
Breadth of Applications

Care Management	1
Claim & Encounter Management	5
Claims	1
Communication Management	1
Constituent Service Management	8
Health Management	5
MCM	1
Member Management	4
Program Integrity	1
Provider and Network Management	6
Sales & Marketing	1
Sales Management	1
Other	4

Why a Center of Excellence

Development & delivery challenges

- Highly fragmented app development resulting in duplication of effort
- Reusability only within projects / departments
- Inconsistent architecture and design
- Inconsistent license and environment management
- Lack of resource and knowledge sharing



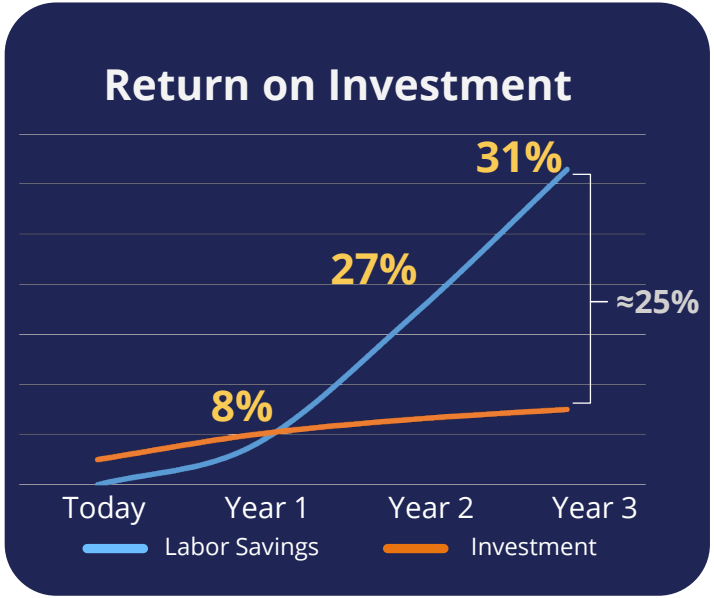
CoE opportunity

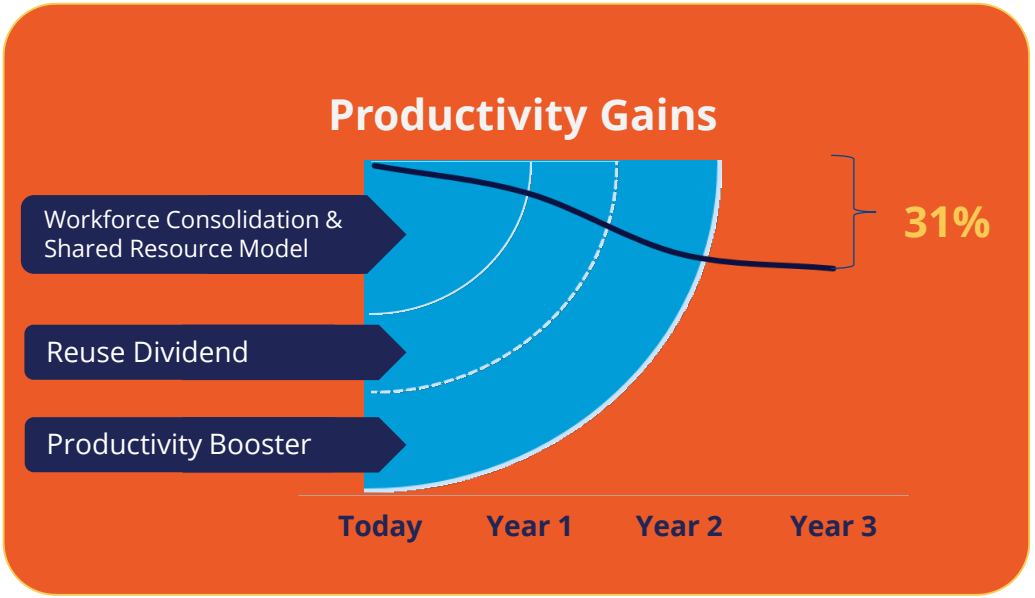
Common returns based on industry standards

Return on Investment
≈ 1 YEAR

Production Defects
21-30%

Time-to-Market
11-20%





Approach: addressing challenges through shared services

Utilizing a *Shared Services* model provides us with the ability to *deliver benefits* to Business Units, the Company, and our Associates with Speed and Scale

Business Units

Omnichannel
Seamless and consistent experience across all business units

Consumer Decision Hub Skills
Centralized repository to hold business logic

Skills
Access to critical skills and expertise across the enterprise

Data
Access to data to drive insight

Normalization
Access to capabilities from Enterprise CoE Framework

Anthem

Scalability
Able to scale with growth

Simplification
Streamlining processes and vendor engagement

Transparency
Expenses and delivery metrics

Security
Consistent audit controls

Safety
Reduced risk in critical initiatives

Accountability
In key technology decisions

Economical
Cost effective with contracts, hardware, and retaining resources

Employees

Enablement
Provides avenue for true communities of Practice across the organization

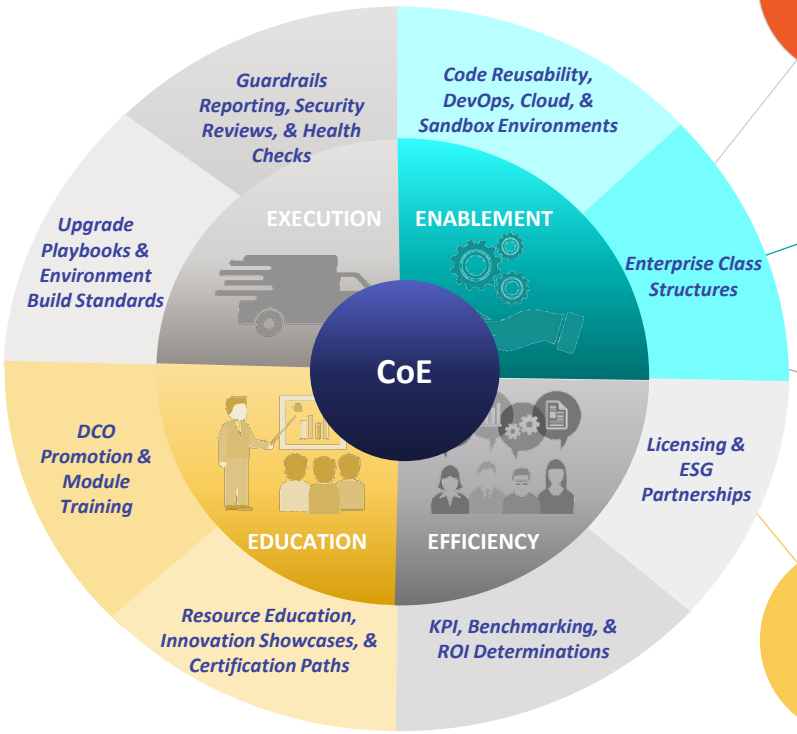
Growth
Allows for career path opportunities

Knowledge
New skill learning and certifications

Clarity
Role definitions are clear and ownership is encouraged

Exposure
Opens up talent and experts engagement

Anthem's vision



EXECUTION

Deliver Enterprise-class solutions and advise other teams on best practices and lessons-learned across the company

ENABLEMENT

Provide tools for teams to grow and build in unison with the latest in Pega and related technologies

EFFICIENCY

Make the most out of partnerships, contracts, and engagements through detailed measurements and reporting

EDUCATION

Ensure development teams are nurtured to grow from project inception to maintenance

PW 19

A CoE in a Scaled Agile Environment

Many release trains currently operating in an Essential SAFe model

CoE – Release Train engagement model

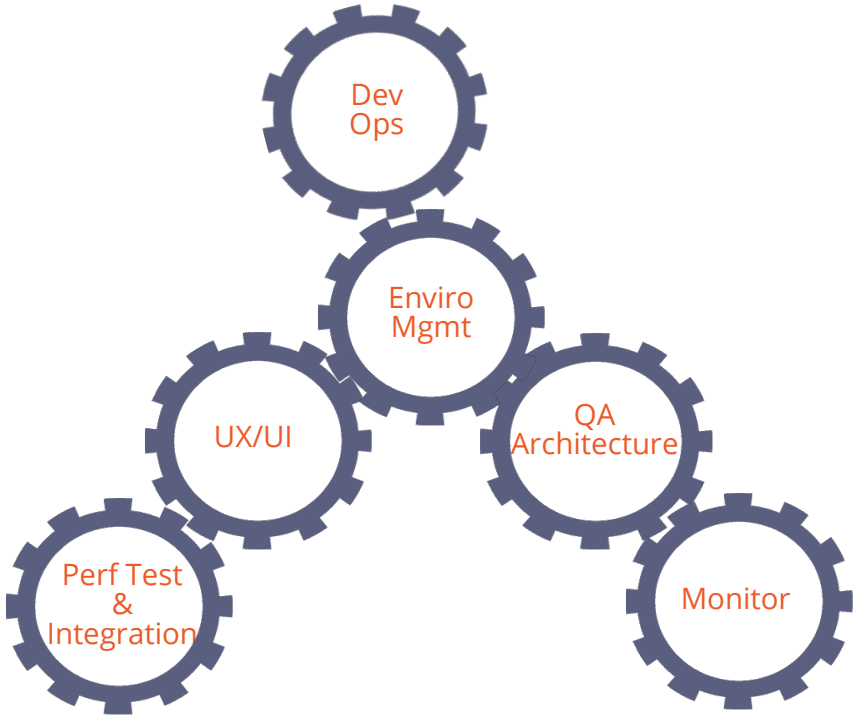
- CoE LSAs/LBAs embedded as train level architects in the Troika teams
- LSAs/LBAs organize, drive and own delivery and adherence to CoE standards for dev leads across the train
  - LSA/LBA team drive technical enablers, architectural runway and identify Pega components to be packaged for reuse across the enterprise
  - LSA/LBA teams guide guide scrum teams toward executing
- LSAs participate in CoE level LSA community of practice
- LSA/LBA team serve as the CoE champions for the release train
- LSA/LBA team maintain strong relationships with business partners
  - Business champion understanding, engagement and partnership is essential to success

Our Timeline

Started in Q4 2018

- First 90 days
  - Structure and Operating model
  - Foundational components (Standards and best practices)
  - Shared service offerings
  - Identified # and potential value of reusable components
  - Marketing (Microsite, Confluence Page, Newsletters, L&L)
- 180 days
  - KPIs
  - Repeatable processes for service offerings
  - Expanding delivery of services across other towers
  - Build and expose components for reuse

Service Offering



Shared Services

- ✓ Center of scale
- ✓ Rule based
- ✓ Lower cost
- ✓ Greater efficiency
- ✓ Focus on optimization
- ✓ Asset consolidation
- ✓ Quantitative measurement

Services Offerings

Core services for on-demand services

	Service	Benefits
	Performance Health Check	Incremental application performance benefits
	Evaluations Functional Application Review Architectural Application Review Code Review	Enhanced application stability
	Pega Business Value Assessments	Identify potential process automation
	Alignment with Reference Architecture	Potential reusability of components Incremental application stability
	Upgrade Strategy Evaluation	Provisional upgrade roadmap
	Application Refactoring Oversight	Incremental improvement to code quality

Services Offerings

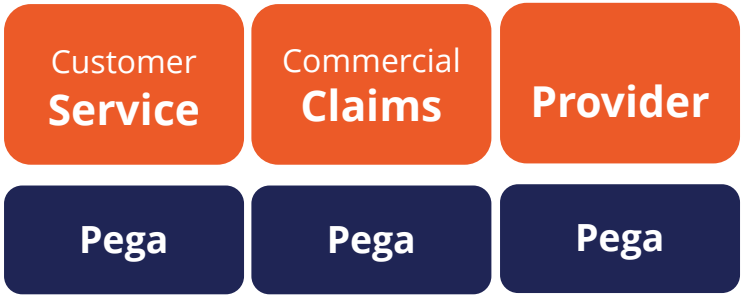
Core services for onboarded applications

	Service	Benefits
	Application Evaluations Code Reviews (before each release) • Quality & Best Practices • Guardrails Architecture Reviews (ongoing by LSAs Design Reviews (ongoing by LSAs)	• **Better application performance benefits** • **Increased uptime** • **Enhanced application stability** • **Identify potential process automation** • **Possible reusability of components** • **Enhanced application stability** • **Ease of application maintenance** • **Reliable upgrade roadmap** • **Improved code quality**
	Resource Evaluation Pega Application Resource Evaluation (developers….)	
	Persistent Analysis of Monitoring Trends	
	DevOps	
	Environment Management	
	Upgrade roadmap	

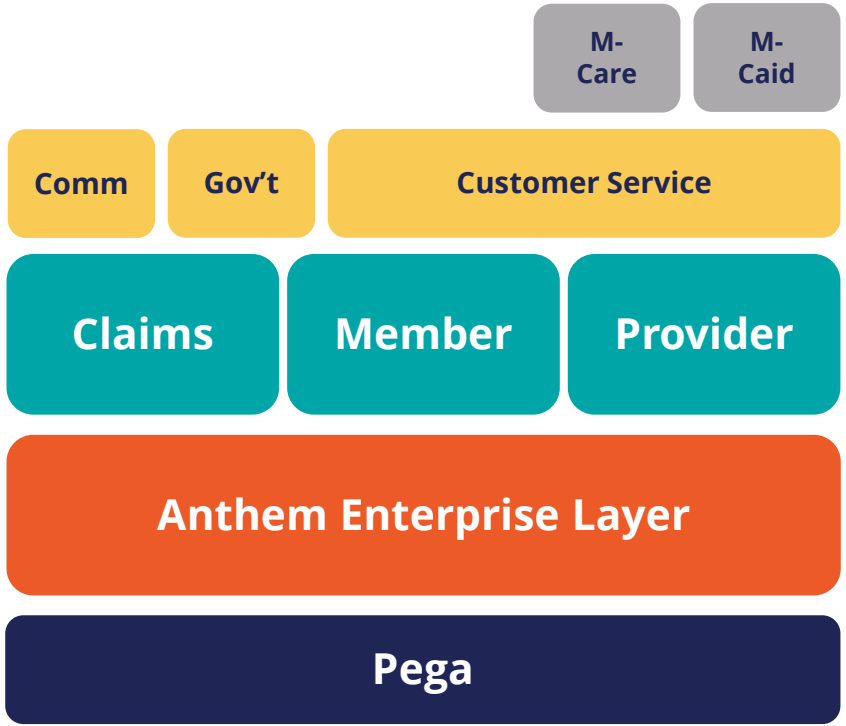
Moving toward reusability

Leveraging the situational layer cake

Current State - silos



Future State - layered



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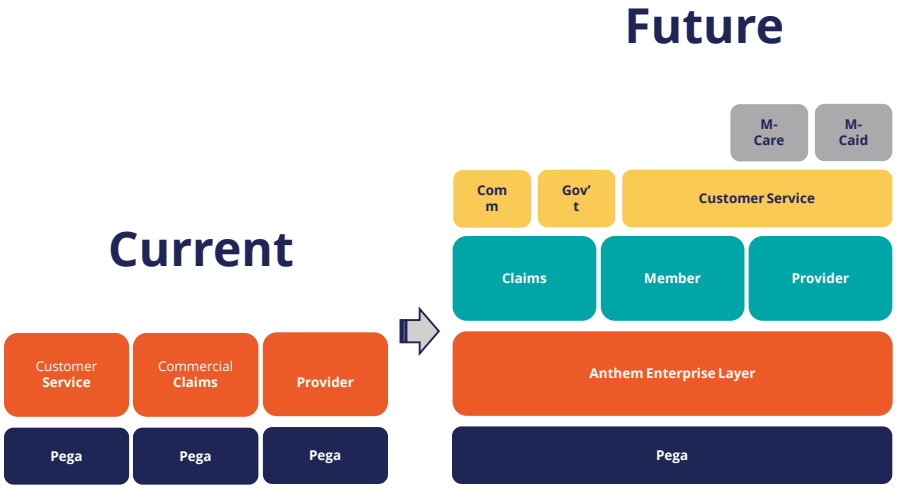

Reuse

Common functions like logging, error handling, authentication, business rules, UI look & feel, data services, integrations, etc. is not possible in current structure

Omni-channel

Enable omni-channel experience for member, provider through the enterprise service layer

Unified Platform

The common platform will open up a key opportunity to seamlessly implement combined workflow management, real-time decisioning and AI utilizing Pega Customer Decision Hub.

Reusable Component Library

- First we created a framework by which we structured the process to create reusable components.
- Partnered with product teams to make components reusable for new functionality or when major changes were being made to existing functionality.
- Created a small team to package and document these components.
- Using the Pega Knowledge Management module we implemented a repository to house the components.
- Code is organized by type of functionality and logical placement in the Reference architecture.
- Architects and developers can search for functionality they want to implement download the code.

Measure benefits

With a “technical solution development” model

	Value lever	Description	Benefit
1	**Workforce consolidation**	Consolidation will result in optimization of staffing and reduction in net resources	8% to 12%
2	**Shared resource model**	Effective utilization of people and better application of global delivery model will yield significant labor savings	6% to 8%
3	**Reuse dividend**	Effort or dollars saved from reuse of existing assets	10% to 15%
4	**Productivity boost**	Standardization and discipline of consistent development will result in reduction of rework and higher quality	4% to 8%
5	**License & environment optimization**	Rationalization in usage of licenses of Pega and its components	5% to 10%
6	**Business experience**	Higher quality and better user engagement will lead to improvement in business experience	Qualitative
7	**Process coverage**	Passionate evangelization will increase the adoption of Pega in legacy based applications	Qualitative

Lessons Learned

What Worked

- Quality personnel in key technical roles (Technical leaders who have the respect of their peers)
- Quickly created standards and best practices
- Identified low hanging fruit which could quickly be turned into customer offerings
- Extensive communication to get the word out about the CoE
  - Newsletters
  - Lunch & Learns

Challenges

- Delivering value without direct line funding
- Run it as a program from the start
  - Kick off with a more detailed plan, defining service offerings and roadmaps from the start
  - A mixture of Waterfall and Agile helps bring balance to maintain progress as people are being pulled into competing priorities
- Organizational change management
  - While the CoE was not necessarily changing the way people work, the CoE was getting involved in teams day to day routines (i.e. standups). A more traditional approach to change management to complement communication will help maintain alignment across org structures.

PEGA®
Build for Change®