Major Health Benefit Provider Teams with Accenture Health Administration BPO Services to Harness the Value of Strategic Offshoring

This Major Health Benefit Provider offers health and related benefits offered through the workplace, including health care products and services, group life, accident and disability insurance.

Business challenge
In this emerging era of consumerism in healthcare, this Major Health Benefit Provider recognized the need to become more nimble and cost-efficient. But its complex processes and information systems stood in the way of greater flexibility and productivity, especially by contributing to a prolonged product development cycle of up to two years.
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Thomas Pettit, Managing Director, Accenture Health Administration BPO Services

The company decided that teaming with Accenture Health Administration BPO Services could help it remedy its issues by accomplishing two major goals:

• Take its business operations to a higher level of performance at lower cost
• By turning over responsibility of the critical but undifferentiating operations to a strategic partner, the company could focus on building key marketplace differentiators, such as developing its provider networks and introducing innovative products.

Accenture’s High Performance Business research has demonstrated that health care providers are increasing turning to outsourcing to achieve high performance in an increasing competitive and consumer driven market. Outsourcing vendors are able to combine the business process expertise, global delivery and deep industry expertise that are transforming health care provider’s back-office support services to deliver competitive advantage, through improved quality of services and greater control over their core business operations.

How Accenture helped
The organization worked with Accenture Health Administration BPO Services to develop a two-year strategic outsourcing plan that encompassed its three primary stakeholders: members, providers and employers. As a first step in implementing the plan, the company set out to outsource billing and accounts receivables for its employer services operations.

Through a competitive process, the company selected Accenture Health Administration BPO Services as its outsourcing partner because of the expertise demonstrated by the firm in developing the company’s outsourcing strategy as well as its proven success in managing similar functions for other health plans. A joint team comprising people from Accenture and the health plan transitioned the work over three months to the Accenture Delivery Center in Manila—part of the Accenture Global Delivery Network which enables Accenture to deliver end-to-end capabilities, mobilizing the right people with the right skills and talents to deliver value and minimize risk. The Delivery Center in Manila hosts the Accenture Health Administration BPO center of excellence, thus ensuring rapid transi-
tion of processes and deployment of appropriately skilled resources for client engagements.

Because of the improvements in accounts receivables and billing, the company has since moved several other functions in employer services operations to the Delivery Center in Manila including:

- Case set-up, which involves entering the details of the structure of each employer plan into the system
- Automated eligibility, with Accenture resolving any errors that the system detects such as duplicate or missing information
- Contract drafting, done for each employer plan

For these operations, Accenture Health Administration BPO Services manages the vast majority of each function while the health plan has kept responsibility for a small portion of each, usually involving interactions with other parts of the insurance company. About 350 Accenture employees are handling these operations for the health benefit provider.

In a second competitive process, Accenture won the outsourcing contract to manage the data for this Major Health Benefit Provider’s provider services operations. About 200 employees at the Delivery Center in Manila enter, maintain and update information such as the credentials and fee schedules for each doctor in the company network. Accenture also ensures that the correct information is available when needed by the company’s call centers and claims processing operations. When there is a question about a claim, Accenture’s experts track down the right answer to resolve the issue.

Given Accenture Health Administration BPO Services’ successful track record at the company, it recently turned over another major function to the Delivery Center in Manila: claims processing operations for its member services operations. Diagnoses, procedures and other information is entered and then reconciled against each member’s health plan. While a majority of claims can be processed automatically, a good portion needs someone to resolve issues such as errors or disputes over coverage. This core function, managed by 200 Accenture employees, is responsible for a great deal of revenue for the company and accuracy is paramount in managing legal liabilities.

**High performance delivered**

This Major Health Benefit Provider’s performance has improved across the board. Through increased productivity and improved management of the premium reconciliation process, Accenture Health Administration BPO Services was able to reduce the client’s Days Sales Outstanding (DSO) to its lowest historical level just 18 months after transition.

In all cases, Accenture is handling the operations more efficiently and at higher service levels. The program is expected to deliver more than US$25 million in annual savings.

Thomas Pettit, Managing Director, Accenture Health Administration BPO Services, said that the use of “high-energy” resources at the Delivery Center in Manila was crucial to this engagement. “We are able to achieve better business outcomes through the passion our employees bring to serving our clients. The talent and drive of the employees in our Global Delivery Network are second to none.”

With Accenture’s Provider Data Management, Accenture Health Administration BPO Services is increasing claims payment accuracy, reducing transaction cycle time, minimizing internal rework, and improving overall customer service. In a recent month, Accenture achieved 98 percent on a key quality metric for the health plan, the highest score the company has ever experienced in that function. The metric requires measuring some 30 data elements for each procedure to achieve zero critical defects. Accenture also expects to save the health plan more than US$8 million annually on this function.

Accenture is producing similar results for the health plan’s claims processing operation. During the recent transition to Accenture, 99.5 percent financial accuracy was achieved once the operation was turned over to Accenture.

In addition to improve service levels, the company is projected to save at least US$6 million annually. This Major Health Benefits Provider is eager to leverage these gains and the synergies from Accenture Health Administration BPO Services managing functions across the enterprise to achieve high performance. Working with Accenture, the company wants to harness the stronger capabilities and savings from these functions to invest in redesigning the processes themselves.

This type of transformational outsourcing would look at the broad, end-to-end process and find ways to eliminate work and streamline operations. Accenture would use its expertise in Six Sigma and lean thinking to conduct a root cause analysis of the functions. The goal would be to identify the reasons that problems such as errors in claims processing occur, then eliminate the reasons and thus avoid the problems before they happen. By partnering with the health plan on these efforts, Accenture Health Administration BPO Services is dedicated to helping the company achieve high performance.
About Accenture
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