Meet the Demands of Health Care Reform with Lower Costs and New Value

Accenture Health Administration BPO Services

Health care payers and administrators face an unprecedented reform environment that demands significant cost cutting at all levels of the business. With a strategic approach to health administration business process outsourcing (BPO), these organizations may achieve sustained cost reductions while maintaining service levels and creating new value for the business.

New expectations in an era of reform

From payment reform and new care delivery models to electronic medical records and changing reimbursement practices, reform is reshaping health care.

Organizations that fund and administer health care face unique challenges that compound years of rising health care costs and shrinking profit margins. These challenges are linked to cost cutting imperatives, including:

- **Legislative requirements.** Mandates ensure that premium dollars are spent on health care, not administrative costs.
- **Expanded membership.** Health insurance exchanges expand memberships, but growth opportunities are often tied to cost control mandates around premium increases.
- **Tax and payment changes.** New payment, pricing and product rules will impact the bottom line.
- **Growing competition.** Cost control is essential for competitive differentiation in a market introducing new players and new subsidized options.
- **Public scrutiny.** The public debate around health care reform means increased scrutiny around cost control and transparency.

Rethinking business process outsourcing

Despite the spotlight that health reform has placed on it, cost control is not a new issue for payers. Many organizations have focused on cost reduction solutions such as health administration BPO. Its economies of scale in labor, management, infrastructure and technology have positively impacted the bottom line. In fact,
in our work with leading health care payers—including four of the top five US health plans—Accenture has helped our clients achieve 30 to 40 percent in annual cost savings through strategic sourcing.

But today’s dynamic marketplace demands that health payers take a more strategic approach to health administration BPO. With an experienced provider, these services can help drive targeted cost savings without materially impacting service levels. In addition, they can help deliver new value to the business for high performance over the long term. Health payers get the best of both worlds—cost reduction in line with reform mandates and value creation. With a strategic BPO provider, payers may lower costs by:

1. Increasing visibility and control. An experienced BPO provider—one that takes a value-driven rather than transactional approach—can help payers achieve more control of their business and enhanced visibility. This can help payers develop a proactive cost cutting posture and a better understanding of how to resource against needs and respond to market changes.

2. Improving accuracy and service quality. An experienced BPO provider brings leading practices from its cross-industry experience and past successes. These insights can drive administrative processing efficiencies. Our experience with our payer clients bears this out. In 2009, Accenture supported more than 35 client contracts, which translated into support for more than 40 million members. Working with them, our teams:
   • Processed more than 20 million enrollment transactions at 98.5 percent accuracy or higher
   • Processed more than 19 million claims totaling over $2.5 billion at 99 percent accuracy or higher
   • Processed more than 2 million provider updates at 95 percent accuracy or higher
   • Reconciled more than $18.5 billion in premium payments at 98 percent accuracy or higher

In addition, Accenture helped our clients prevent or recover more than $1.1 billion in claims overpayments and increased total recovery dollars by 15 percent.

3. Enhancing resource use. By relying on an experienced BPO provider, payers get the advantage of skilled personnel. With such a dynamic marketplace, continual training can be a significant investment for payers. With an experienced provider, they can reduce these costs while ensuring that key personnel and resources are focused on core competencies.

4. Manage technology costs. Payers have traditionally struggled with rising technology costs in an increasingly competitive market. Working with an experienced Health Administration BPO provider means that payers get access to world-class technology assets and applications that help them improve productivity.

5. Supporting quality services. While lowering costs is essential for payers, they do so while delivering quality services. An experienced BPO provider considers the quality aspect of the cost cutting equation. For example, our team helped reduce load times for provider data by 50 percent for a large, national payer. Accenture also accelerated claims turn-around times from five days to two and accelerated enrollment turn-around times from three days to one at a large, national payer.

A choice BPO provider for high performance

Accenture is uniquely positioned to help today’s health payers realize these cost cutting opportunities and meet the challenges of health reform. Accenture Health Administration BPO Services are different because we apply business insight to drive new value and deliver better outcomes and lower costs. Our teams do more than replicate administrative processes—Accenture analyzes and optimizes them. We offer a full spectrum of services that address payers’ core administrative functions, including:

• Customer account set up
• Front end services
• Billing and accounts receivable
• Enrollment services
• Provider network services
• Claims services
• Medicare services
• Care management

These services are backed by Accenture’s extensive experience working across all segments of the global health care community. We also bring lower-risk delivery through proven processes and the flexibility and innovation to meet the complex demands reshaping the future of health care.

For more information

To learn more about how Accenture can help your organization meet the demands of health reform with Accenture Health Administration BPO Services, please contact Rich Hunter at richard.d.hunter@accenture.com.

About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with approximately 204,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world’s most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US$21.6 billion for the fiscal year ended Aug. 31, 2010. Its home page is www.accenture.com.

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