IMPROVING PAYMENT PROCESSES FOR A NEW HEALTH INSURER

Trexin integrated Finance, Operations, and Member Services processes to improve billing, invoicing, and collections for a newly established ACA CO-OP.

BUSINESS DRIVER

The Affordable Care Act (ACA) called for the establishment of the Consumer Operated and Oriented Plan (CO-OP) Program to foster creation of qualified nonprofit health insurance issuers to offer competitive health plans in the individual and small group markets. Our Client, one of the larger CO-OPs that was created remarkably fast from the ground-up through the aggressive use of third-party outsourced services, faced challenges related to organizational alignment, cross-functional communication, inter-departmental processes, and business-rule definition. They were also experiencing data integrity issues with their numerous vendors, receiving inaccurate financial and patient information that made it difficult to determine projected revenue, generate accurate statements, and provide reports to the government. Given these challenges, the VP of Finance asked Trexin to:

1. Work with vendors to improve data accuracy.
2. Unify and streamline billing, invoicing, and eligibility processes.
3. Strengthen communication and collaboration, internally and externally.
4. Improve capabilities to navigate complex ACA compliance areas.

APPROACH

Trexin started the project by facilitating discovery sessions with each of the major departments: Finance, Operations, and Members Services. The goal of these discussions was to identify a common list of business rules and produce integrated process flows for major organizational functions. Initially, we met with each department individually and established definitions that we consolidated into a master list. We then met with combinations of these departments, two at a time, to understand how they interacted, how information flowed between them, and how to identify gaps and pain points.

Based on the results of these conversations, we then developed a process flowchart and identified trouble spots. We shared this map with all three groups and started clarifying the business rules behind the processes so that work could begin on improvements. The resulting insights from this exercise helped eliminate communication silos and enabled a more effective approach to decision making. We then developed a vendor solution selection strategy to help them pick the best vendors and negotiate better terms as they worked to implement the improved processes. Finally, by participating in the monthly financial audit, we were able to repeatedly test assumptions regarding pain points and accelerate the process.

RESULTS

Trexin equipped our Client with documented departmental roles and dependencies to streamline communication with employees and vendors alike. We standardized their processes using the list of business rules and data we helped develop, and we provided targeted recommendations to improve their capabilities through a strategic roadmap that included a vendor selection strategy.

Our Client implemented our suggestions for improving data accuracy and also implemented process improvement suggestions related to auditing and billing, enabling them to more quickly invoice customers and collect payment faster, reducing the duration from two weeks to one week. They also moved from a transaction-based system to a cash-based system, and instead of making assumptions based on transactions of income, they were able to report on actual cash that was in their bank statement, allowing them to accurately report income to executives, their Board, and the government.

Improvements in Processes Assisted in Rapid Expansion of Newly Established Co-Op

Our Client was quickly operationalized after the ACA was enacted. The need for clear communication, data integrity and established business rules were critical to navigating the new healthcare environment.

Some of the challenges Trexin helped our Client overcome included:

- Working with vendors to improve data accuracy
- Unify and streamline billing and other processes
- Strengthening communications
- Navigating the complex ACA compliance areas

Improved Data Accuracy/Process Improvements

Based upon discovery sessions with each of the major departments, trouble spots were identified and communicated among groups, resulting in:

- Elimination of communication silos
- Vendor solution to assist in picking best vendors
- Testing of assumptions
- Strategic roadmap

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