

ENGAGED TEAM PERFORMANCE (ETP)

MERCER CONSUMER CLAIM PROCESSING PROCESS IMPROVEMENT INITIATIVE

November 10, 2014

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Engaged Team Performance
Claims Process
Project Charter

Objective

Identify opportunities within the Claims process to:

- Reduce vendor and shipping costs through a streamlined process
- Improve service to the customer by decreasing turnaround time
- Improve quality
- Reduce risk

Original Scope/Size

- 150k health claims processed annually for one client
- Out of State Vendor Staff: 5 prep and 4 data entry; \$405k annual cost
- Local Vendor
- Mercer Claim Team: 27 Claims Examiners
- Mercer Support Team: 3 Support Clerks

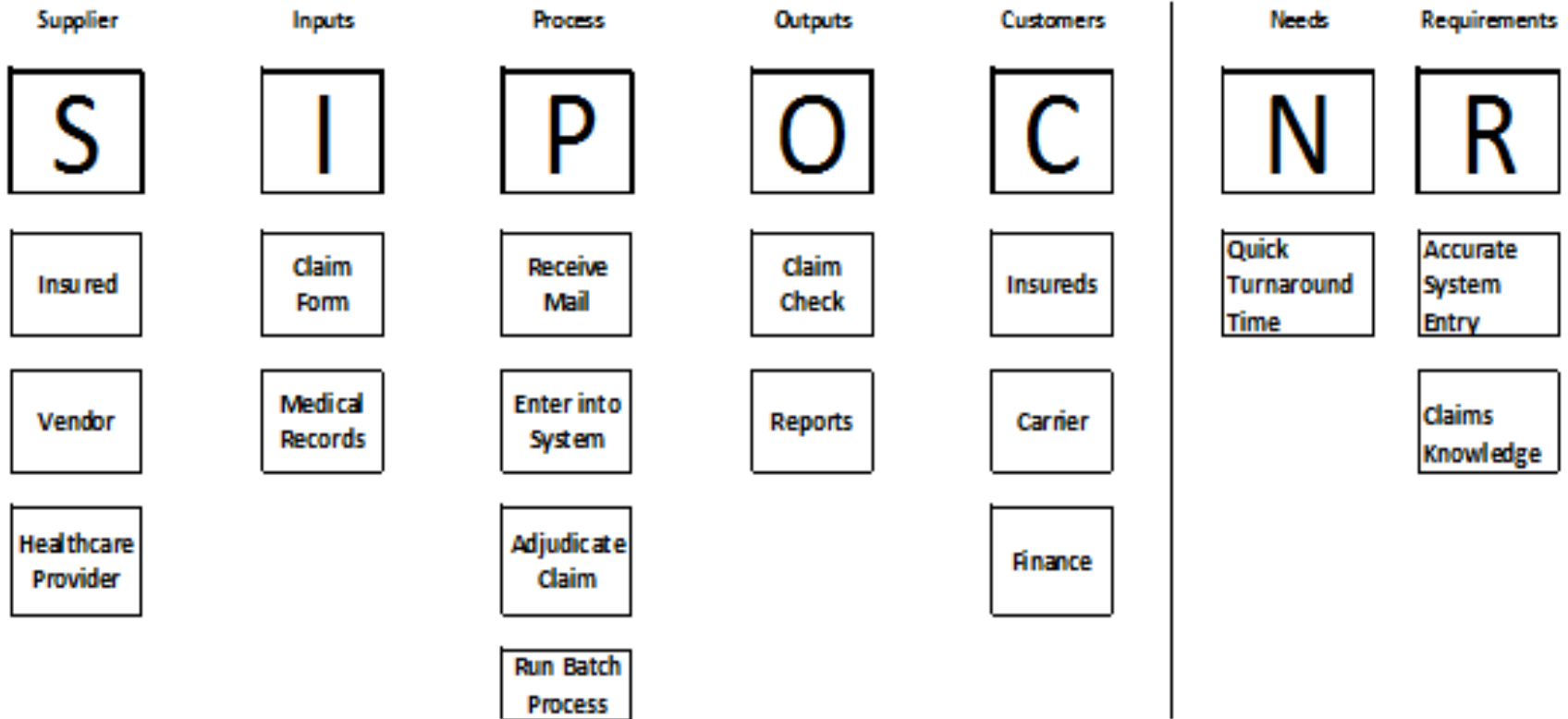
Engaged Team Performance Claims Process

DEFINE Stage

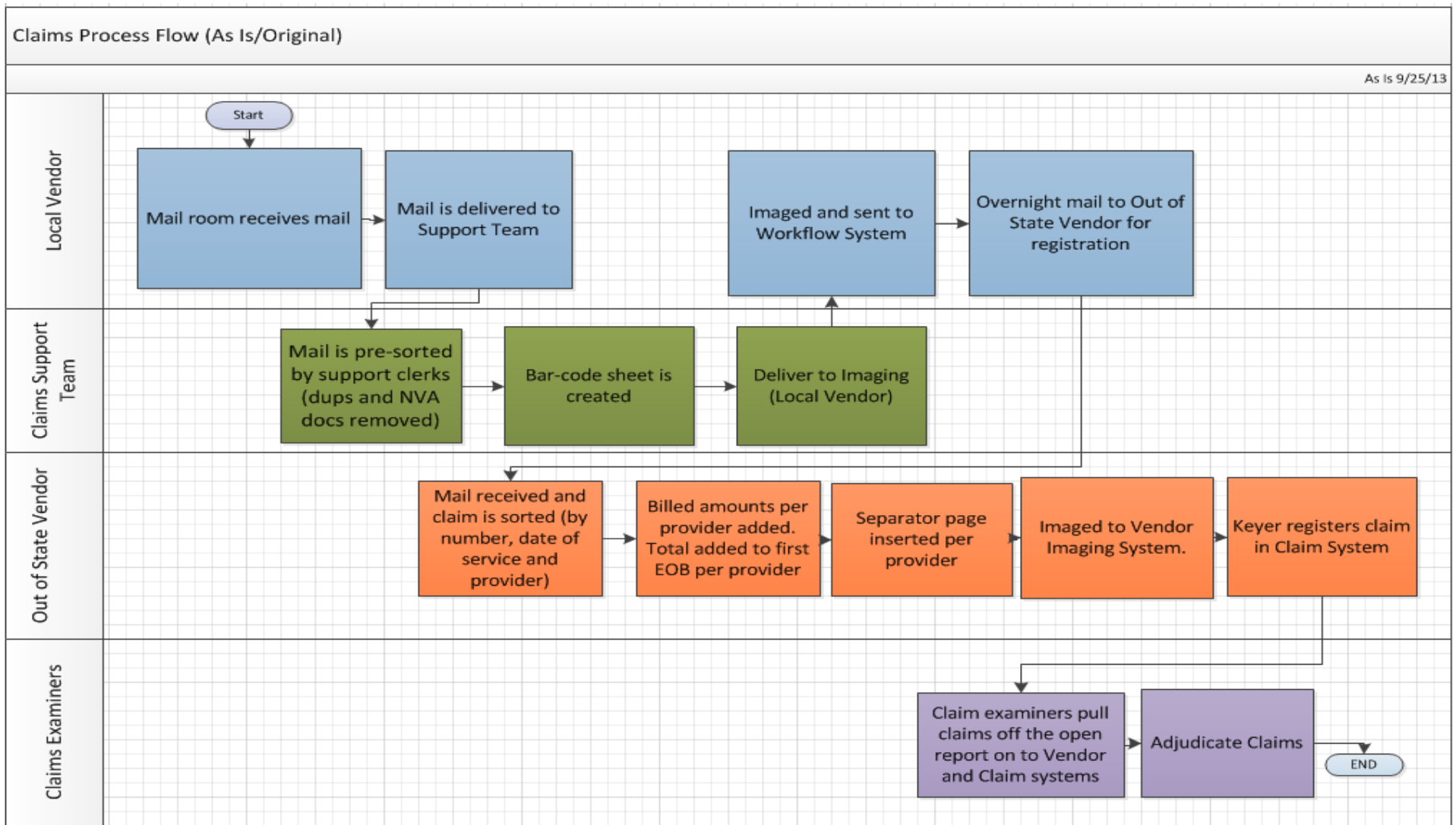
- Created SIPOC diagram
- Gathered “Voice of the Customer” needs and requirements
- Process Mapping
 - Selected Focus Group: 6 Claims team members
 - Held Team Kickoff Meeting
 - Completed and validated Current Process Map
- Conducted Time Study on current/original process (22 staff)

Engaged Team Performance Claims Process SIPOC - High Level Process

“Voice of the Customer”



Engaged Team Performance Claims Process Original Process Map

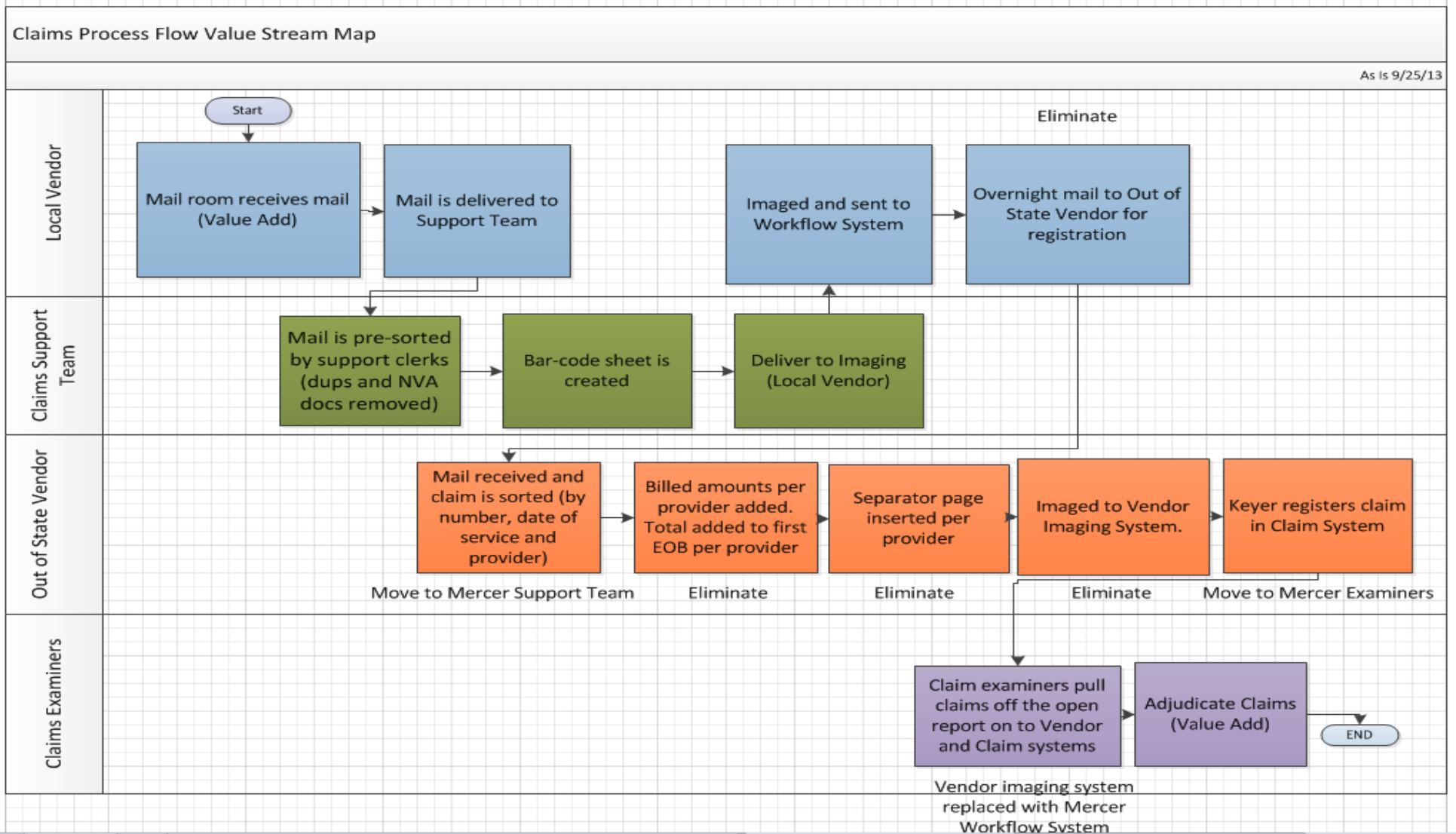


Engaged Team Performance Claims Process

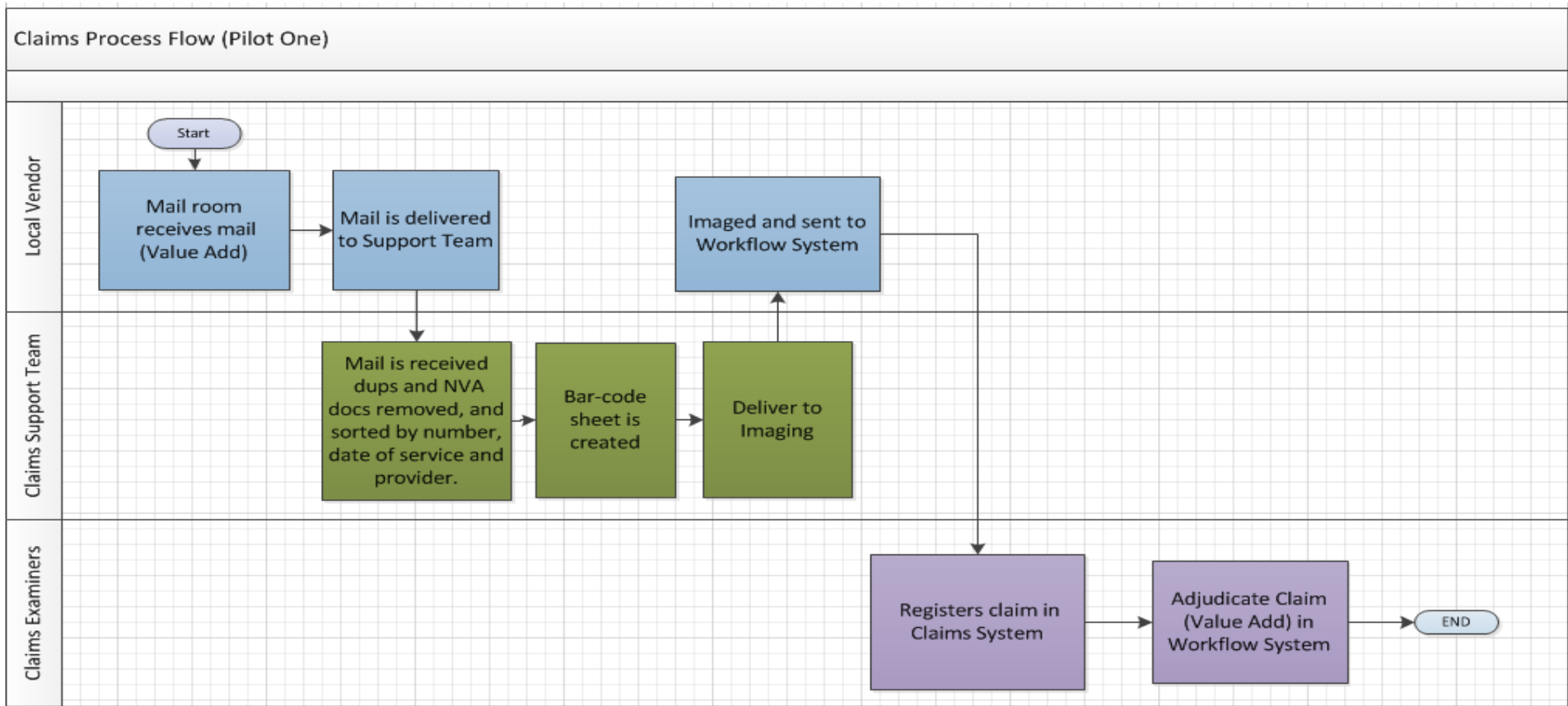
INVESTIGATE Phase

- Created Value Stream Map
 - Identified Value-Add and Non Value-Add processes
 - Identified waste reduction opportunities and visualized process and data in one place (i.e. wait time, work time)
- Team created two process options for the Pilot
- Kaizen approach used:
 - No additional staffing
 - Can't make customer change
 - All deliverables remain the same
 - Rapid, incremental floor-level, floor-led process improvement
- Created Pilot Plan and Conducted Training

Engaged Team Performance Claims Process Value Stream Map



Engaged Team Performance Claims Process Pilot One – upfront single imaging



Waste reduction opportunities

- Turn around time
- Shipping costs to vendor
- Duplication of imaging
- Vendor transaction(sort, entry, store) costs
- Research time due to registration errors

Engaged Team Performance Claims Process

STREAMLINE Phase

- Conducted the Pilot on a small scale
- Compiled the Time Study Data from the Pilot
- Examined those results
- Ran a full Pilot over two weeks
- Results were consistent with the first Pilot
- Implemented gradually over 12 weeks, 2 examiners weekly

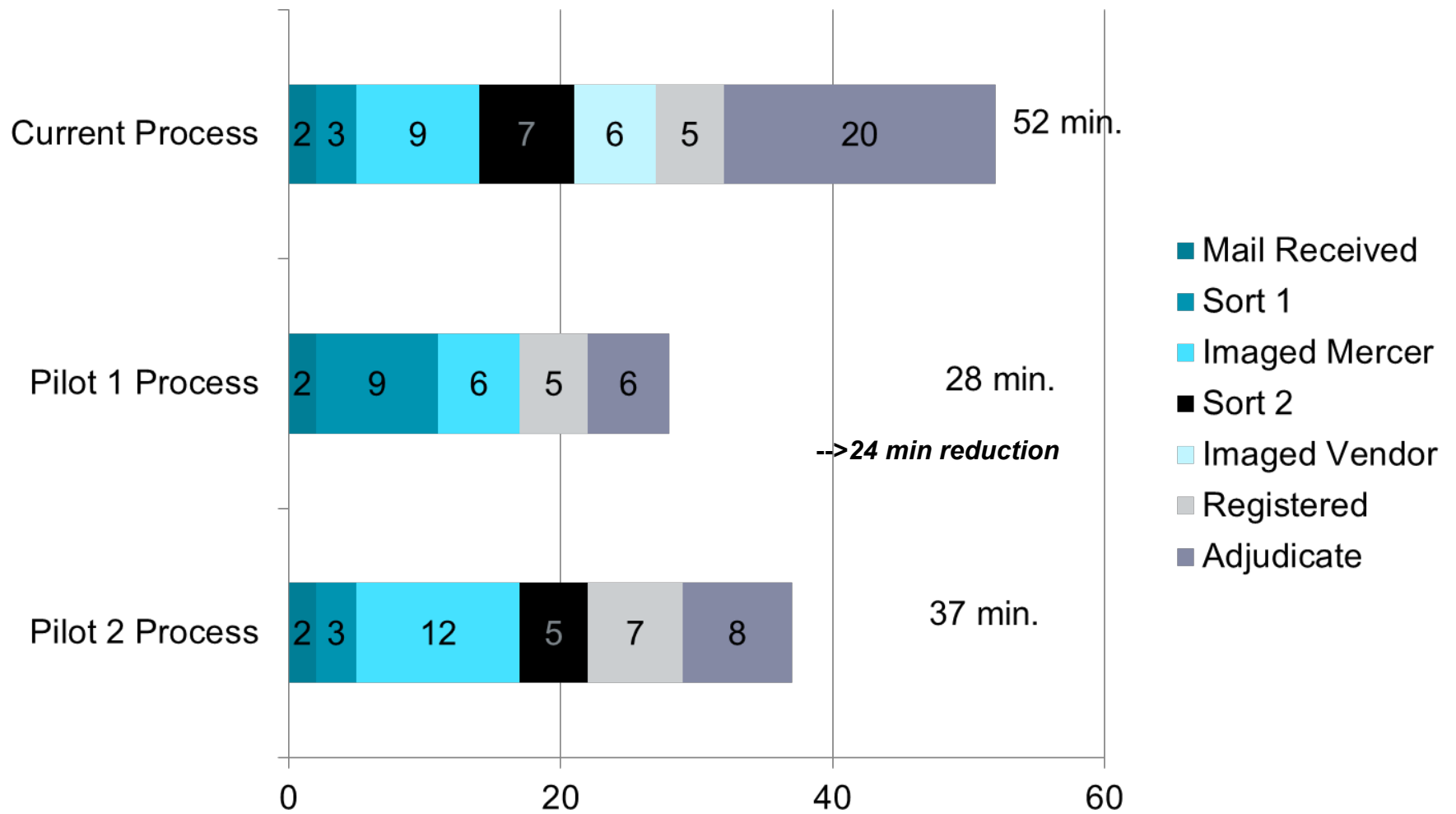
Engaged Team Performance Claims Process Pilot Timings

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
2	Ops Time Study		Operations Tasks												
3															
4	OpDef	HR:MM							HR:MM	Include additional information on pend, research, investigation, and missing info issues: what was missing/needed that caused extra work?	Number of times interrupted	Description of the Interruption (i.e. phone call)	Total hr:min spent on interruptions (will be subtracted from total time)		
5		Time Into Task	Last Name of Person Doing Task	Date	Task Type	Patient Name	Claim #	Benefit type	Time Out of Task	Comments	Interruptions Count	Comments	Interruption Tim	Elapsed Time	Task Time
573	62	10:18	Cantrill	8-Oct-13	Adjudicate claim		01-082613-401-37	MMB	10:23	posted to bpe#1	0	none	0:00	0:05	0:05
574	63	10:24	Cantrill	8-Oct-13	Adjudicate claim		01-082613-401-38	MMB	10:39	psoted to bp# 1 ded.	0	none	0:00	0:15	0:15
575	64	10:41	Cantrill	8-Oct-13	Pend		01-082613-400-93	MMB	10:43	pend	0	none	0:00	0:02	0:02
576	65	10:44	Cantrill	8-Oct-13	Pend		01-082613-400-94	MMB	10:55	pend	0	none	0:00	0:11	0:11
577	66	10:56	Cantrill	8-Oct-13	pend		01-082613-400-96	MMB	11:00	pend	0	none	0:00	0:04	0:04
578	67	11:01	Cantrill	8-Oct-13	Adjudicate claim		01-082613-400-95	MMB	11:05	posted to bp#1 ded	0	none	0:00	0:04	0:04
579	68	11:07	Cantrill	8-Oct-13	Adjudicate claim		01-082613-420-01	RX	11:21	posted to bp#1 ded	0	none	0:00	0:14	0:14
580	69	11:22	Cantrill	8-Oct-13	Pend		01-082613-401-32	MMB	11:26	pend	0	none	0:00	0:04	0:04
581	70	11:27	Cantrill	8-Oct-13	Pend		01-082613-400-99	MMB	11:31	pend	0	None	0:00	0:04	0:04
582	71	11:33	Cantrill	8-Oct-13	Pend		01-082613-400-98	MMB	11:35	Pend	0	None	0:00	0:02	0:02
583	72	11:36	Cantrill	8-Oct-13	Pend		01-082613-401-31	MMB	11:38	Pend	0	none	0:00	0:02	0:02
584	73	11:44	Cantrill	8-Oct-13	Pend		01-082613-401-33	MMB	11:49	Pend	0	none	0:00	0:05	0:05
585	74	11:50	Cantrill	8-Oct-13	Pend		01-082613-401-34	MMB	11:53	Pend	0	none	0:00	0:03	0:03
586	75	12:30	Cantrill	8-Oct-13	Pend		01-082613-402-65	MMB	12:33	Pend	0	None	0:00	0:03	0:03
587	76	12:36	Cantrill	8-Oct-13	Pend		01-082613-400-91	MMB	12:37	Pend	0	none	0:00	0:01	0:01
588	77	12:38	Cantrill	8-Oct-13	Pend		01-082613-400-92	MMB	12:41	Pend	0	None	0:00	0:03	0:03
589	78	12:42	Cantrill	8-Oct-13	Pend		01-082613-415-01	MMB	12:45	Pend	0	none	0:00	0:03	0:03
590	79	12:46	Cantrill	8-Oct-13	Pend		01-082613-402-70	MMB	12:51	Pend	0	None	0:00	0:05	0:05
591	80	12:51	Cantrill	8-Oct-13	E-mail				13:00	email regarding rushes and status update etc. to mgt.	0	None	0:00	0:09	0:09
592	81	12:58	Cantrill	8-Oct-13			rework hhc due to no response from mbr or hhc provider	HHC	13:57	two calls and several emails, workbench down, investigation and research and action steps on HHC	0	none	0:00	0:59	0:59

Engaged Team Performance Claims Process Compiled Pilot Timings

Task	Avg Minutes	Count of Tasks Timed
All Adjudicate tasks:		
Adjudicate claim	0:10	10569
BA update request	0:11	112
Carrier Referral/Response	0:08	31
Correspondence	0:10	359
delete claim	0:05	6
E-mail	0:10	394
High dollar document	0:10	45
Letter	0:03	1
ME1013	0:08	1
Pend	0:11	285
Phone call	0:12	673
Production Report	0:11	148
Question	0:10	130
Referral	0:06	1
Research	0:10	1355
Sending Fax	0:09	12
Grand Total Adjudicate	2:24	14927
Sort Claim	0:14	68
Register claim	0:10	598

Engaged Team Performance Claim Process Estimated Time Savings (compressed time)



Engaged Team Performance Claims Process

CONTROL Phase

- Revised SOPs
- Monitored Claim output through
 - Daily dashboard reports
 - Individual production standards
- Monitored quality through existing QA process
- Regular checkpoints with team on the overall change
- Formal Closure and Financial Impact Analysis

Engaged Team Performance Claims Process ETP Process Improvement Benefits

Reduced Costs

- Elimination of Out of State Vendor: \$405,000 hard dollar annual savings due to elimination of duplicate imaging and streamlining multiple processes.
- Elimination of paper claim file shipping costs: \$5,000 annual savings.
- No adds to staff for Examiners to assume Registration function. All rework eliminated.
- 2014 Expense: \$39,000 to transfer 3.3mm images (one time cost)

**Estimated annual savings
>\$410k**

Improved Service

- Turnaround time improvement: 21 calendar day average reduced to est. 19. Est. 2 day reduction.
- Continue to maintain 27 Examiners as contractually required by Client.

**Turnaround time reduced by
Est. 2 days**

Quality / Risk

- Streamlined process reduces the opportunity for errors: # of touches reduced from 8 to 4.
- Minimal training curve. Mercer Urbandale currently performs Prep and Registration functions on complex files.
- Less risk of lost paper files: # of times paper moves reduced from 4 to 2.

**Handoffs reduced from
8 to 4**

Engaged Team Performance Claims Process ETP Advantages



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Questions