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Ensuring a Near-Seamless Transition to a New Health Plan Platform

Executive summary

Driven by rising consumerism and the impact of the Affordable Care Act, health plans are redesigning their products and services. Health plans have the potential to use emerging technology — especially the cloud — to significantly improve per member per month (PMPM) costs and auto-adjudication rates.

To succeed in the new healthcare market, health plans need core administrative platforms that can keep up with changing regulations and technology. While health plans spend a lot of money and internal resources choosing the right administrative platform, they often don't apply the same rigor to migration, particularly change management activities, to ensure a smooth transition.

Migrating health plan platforms requires careful consideration of both IT and business needs. While service providers take care of any challenges related to system implementation, changes to business processes can be overlooked, causing issues from reduced auto-adjudication rates to member and provider dissatisfaction. Effective collaboration between IT and business process outsourcing (BPO) partners early in the transition can help address knowledge management, staffing during the transition, identification and management of risks, and how to quickly scale the business. In this paper, we examine the key challenges of transitioning to new health plan platforms and provide best practices from our in-depth experience supporting platform transitions.

Table of contents

Written by:

Prasad Sampath
Manish Jain

NTT DaTa

Introduction

For health plans, it's important to improve claims processing rates for healthcare providers while ensuring a seamless connection with members and providers. But they also need to be able to reduce operational costs and pass these savings on to members by offering more competitive and affordable plans. Many health plans are realizing these benefits by moving their administrative platforms to newer platforms that offer higher first-pass rates and the flexibility to launch new products and enhanced member/provider support models more quickly. Higher first-pass rates lower the cost to process a claim and ensure that organizations comply with the requirements of timely payments.

Migrating an existing process to a new platform offers unique challenges

For effective platform transitions, health plans need to be able to integrate IT systems/database migration with day-to-day business processes such as:
- Enrollment and configuration activities (for example, new benefit plans, new pricing contracts or fee schedule updates)
- Provider data management
- Claims adjudication
- Customer service

While the critical data is migrated, checks and balances have to be put in place to manage residual information. For instance, health plans need to validate member and group information, which takes time. As their agents learn how to use the new system, reduced productivity can occur as they fill in the knowledge gaps of the new system. This also requires in-depth planning to determine the number of agents required during the change process. Before embarking on a platform migration project, health plans should endeavor to set up a collaborative team that includes upstream/downstream vendors, internal/external business process services teams and the IT team in charge of the migration.

This will ensure that the migration project addresses the needs of all parties involved — proactively securing the necessary resources from all teams.

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Understanding the key challenges of migrating an existing process to a new platform

Transitioning to a new platform affects all aspects of a health plan's business processes — from provider and network management, benefit plan creation and underwriting/enrollment to claims adjudication, benefits management and financial recovery. While processes are migrated, databases also need to migrate, providing a unique challenge in terms of maintaining continuity in operations.

Figure 1 illustrates an overview of the transition process when migrating to a new system and the associated environmental factors.

Some of the key challenges health plans face when transitioning the underlying business processes include:

- **A learning curve will reduce productivity initially.** As the existing staff needs to be trained on the new platform, there will be a natural productivity loss as the staff learns the processes of the new platform (and unlearns the old processes).

- **Auto-adjudication rates will not meet the desired target immediately.** While improving auto-adjudication rates is often the key reason for switching to the new platform, health plans need to give the new platform time to adjust to their specific needs. It can take up to three to six months to reach the targeted auto-adjudication rates.

- **Increased auto-adjudication rates also means more complex manual adjustments.** Another aspect of auto-adjudication rates is that as the new system takes over, more and more of the repetitive adjudication transactions will get automated, and the manual adjudication work will be more complex. This would result in a dip in agent productivity as they handle manual transactions while the new system adjusts.
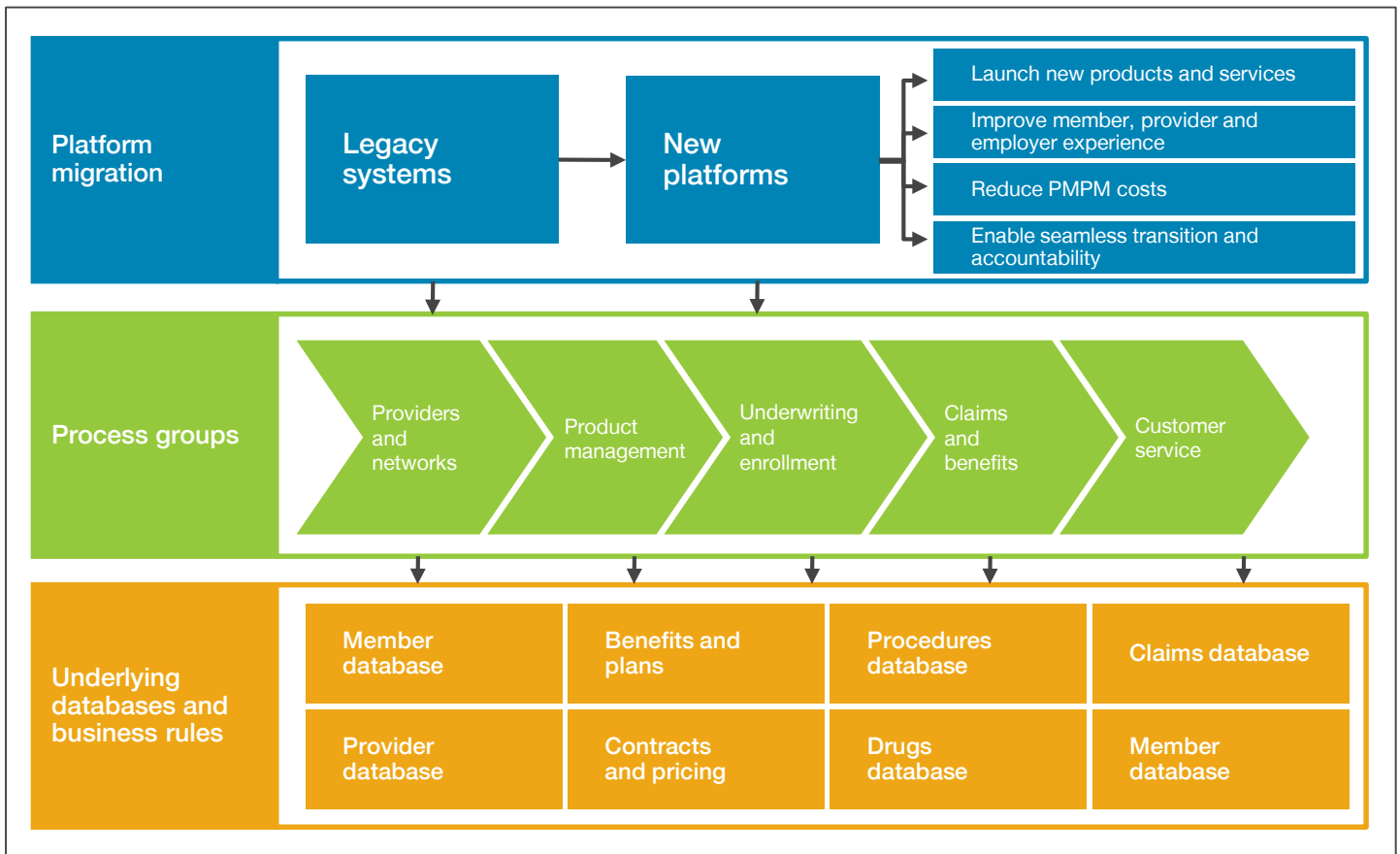

Figure 1: Overview of the transition process to a new system

- **Lower auto-adjudication rates will have an impact on upstream and downstream processes.** Supporting processes such as customer service will be impacted by lower auto-adjudication rates. For example, a health plan could see an increased number of calls from members and providers to check the status of their claim if there are delays.

- **New processes require specialized configuration skills.** Configuration activities, including benefits, pricing, capitation, fee schedules, claims and products, need to be provided for the new and existing platforms if outside help is required.

- **Transitioning requires a comprehensive transition plan.** Transition plans often fail to consider all stakeholders and focus narrowly on claims teams. For instance, there is a need to engage the compliance team and keep them informed periodically as they may need to report and interface with regulatory agencies if providers and members complain.

- **Staffing planning during the transition requires careful consideration.** If migration project managers don't pay attention to the issues outlined above, it can lead to a backlog in claims and the need to hire costly temporary staff to address these backlogs.

- **Database continuity during migration is key to higher auto-adjudication rates.** Data existing in multiple databases needs to be migrated accurately to ensure continuity and accurate processing. Figure 2 details the most common challenges of database migration.

- **Not planning for reporting and enhancements can increase the budget later on.** As the primary focus of the migration process is to ensure up-to-date and accurate databases, health plans can forget to plan adequately for the next steps. The ability to enhance information systems and create powerful reports is key to getting the most from system migration investments. It can be more difficult to budget for this later on — especially if delays or unforeseen issues occur during migration.

- **There is a lack of robust process documentation and change management.** As processing guidelines differ from system to system, the entire set of processes needs to be documented again. This creates opportunities for reviewing and streamlining process documentation.

Work processes	Migration challenges
Migration of benefit plans and configurations to the new platform	• All plan details need to be created again on the new platform. Since benefit structures are dependent on the system architecture, innovative solutions are needed to rapidly configure the plan details on the new platform. • All other business process migrations can be initiated only after benefit configuration activities are completed.
Provider database updates	• Provider database structures vary across platforms, so all fields need to be updated carefully. Platform migration creates a unique opportunity to re-engineer the process to improve provider profiling, and ensure effective claims payment and tracking.
Member database updates	• Member databases provide a similar opportunity to improve processes and member satisfaction. • During the system migration period, eligibility verification processes may need to be managed on both the existing and new platform until all data is current.
Contracts and pricing	• The complete migration of contracts to the new platform is an exhaustive and time-consuming exercise. It's extremely important to ensure the accuracy of data as errors could be costly and result in incorrectly processed claims.

Figure 2: The most common challenges of database migration

Best practices of platform migration

Using our in-depth experience performing platform migrations, we've developed end-to-end solutions for successfully transitioning critical health plan data and processes. We can help health plans tackle a variety of challenges to ensure a near-seamless transition.

Accelerating the learning curve to reduce transition costs

Health plans need an effective training program to help agents get up to date with the new platform quickly. Figure 3 details how to accelerate agent progress during a platform migration.

Balancing a short-term staffing strategy with long-term cost reduction objectives

Outsourcing/offshoring the migration to a service provider gives a health plan the flexibility to meet any temporary surges in staffing requirements during the transition while keeping costs low. As processes are moved from the legacy platform to the new platform, the service provider can support legacy system processes while the health plan's staff is trained on the new platform.

Figure 4 details the in-house and outsourced tasks throughout the transition. As the migration processes are completed — such as the movement of groups and members onto the new platform — the volume of work decreases. Health plans can also decide if they require long-term support after processes stabilize.

Ensuring effective data migration

As health plan platforms utilize multiple databases, platform migration is the best time to make changes to the supporting processes. This helps avoid rework due to inconsistencies in data migration and system design. Figure 5 illustrates the best practices of data migration during a platform transition.

Managing the information system and reporting capabilities

Platform migration poses challenges in tracking inventory. Strong workflow applications can create reports across multiple dimensions, including agent productivity, production, quality and inventory of work. Reporting enables rapid customizability and ensures the data is available across multiple devices. Workforce management tools can also provide effective scheduling and resource management.

Documenting policies and procedures

Processes on legacy systems often lack strong documentation. This gap can be addressed during migration by getting the system implementation team, business process delivery team and relevant subject matter experts to work together alongside process design and documentation specialists. Health plan

Effective training solution design	Knowledge management tools	Expert on-demand support	Judicious staffing planning
• Involve practitioners in designing the training curriculum • Adopt video-based learning • Create an effective mechanism for assessing the knowledge levels • Reinforce concepts and processes constantly	• Make new processes and standard practices available on demand through a knowledge management portal • Utilize process guidance tools and aids to assist agents in processing	• Make expert support available on demand to address questions from the shop floor • Collect and analyze the questions to determine if there are trends that can provide insights into the learning process	• Equip team using members with platform-specific expertise • Balance staffing priorities and costs — for example, updating existing staff to new processes takes time, whereas new staff tend to adapt faster and more easily

Figure 3: How to accelerate agent progress during a platform migration

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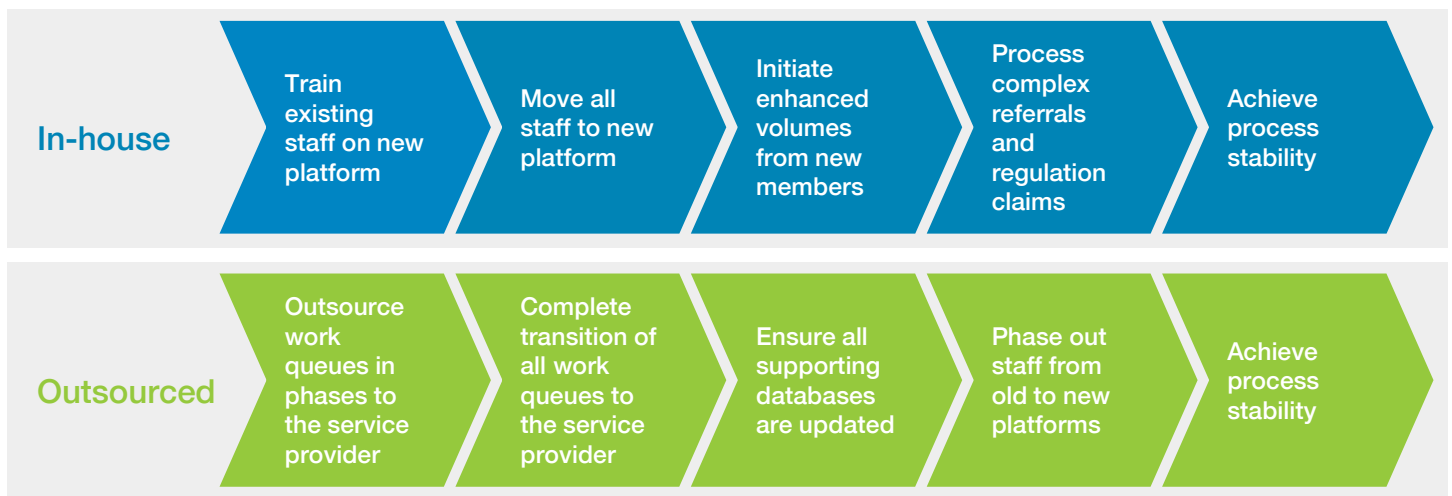| In-house	Train existing staff on new platform	Move all staff to new platform	Initiate enhanced volumes from new members	Process complex referrals and regulation claims	Achieve process stability
Outsourced	Outsource work queues in phases to the service provider	Complete transition of all work queues to the service provider	Ensure all supporting databases are updated	Phase out staff from old to new platforms	Achieve process stability

Figure 4: In-house and outsources tasks throughout the transition

leaders can utilize subject matter experts as well as the knowledge management capabilities of service providers to create best-in-class process documentation, process and implementation of effective training mechanisms to keep the agents on the processing floor abreast of these process changes.

Improving the auto-adjudication rate — an iterative process

In order to get the auto-adjudication rate up to its full potential, health plans need an iterative approach that includes a detailed study of claims processing operations and dependencies on other systems/databases. This requires strong analytics capabilities to identify any issues that require manual processing. Analytics and testing can lead to an improvement rate that exceeds industry standards.

Work processes	Best practices
Migration of benefit plans and configurations to the new platform	• An effective service provider should have proven benefit configuration capabilities and be able to easily scale resources during peak periods. • Scheduling and workflow management tools, as well as flexible staffing arrangements, can help health plans address volume surges effectively. • Structured process improvement and problem-solving approaches, such as Six Sigma and Lean, can help reduce cycle time for migration tasks and improve time to market.
Provider database updates	• Missing information needs to be identified and updated by referring to multiple data sources and reaching out to the provider's office, if necessary. • Provider contract configurations should be appropriately set up on the new system, with matching logic properly defined. • Health plan managers should look for service providers with experience managing data from a business process and analytics perspective. Specifically, they should be able to identify healthcare providers with missing information (such as National Provider Identifier, Tax Identification Number and provider ID) and to process the claims.
Member database updates	• A team needs to be tasked to handle eligibility exceptions by verifying information on both the legacy and new platform. This ensures that member claims are not rejected due to critical information located on disparate platforms.
Contracts and pricing	• The database structure of the new platform needs to support the contracts and pricing requirements to ensure up-to-date, accurate claims.

Figure 5: Data migration best practices during a platform transition

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Managing the change

Platform migration is a strategic initiative and one that is embarked upon with significant cost containment as well as process efficiency targets. Oftentimes, this also necessitates a shift from legacy process thinking to one that is focused on unlocking the efficiencies. The change required is often underestimated. Health plans need to consider if they have the requisite experience and training wherewithal to manage the change.

To get a holistic assessment of the impact of the platform migration on the overall organization, it may be wise to engage an outside counsel and create a change management program to obtain a clear understanding of the impact on different processes, reskilling needs of the organization and how to develop the overall roadmap to achieve the strategic objective. Also the need to obtain executive buy-in and support is critical to ensure that organizational resources are aligned and focused on achieving the goals.

Let NTT DATA help

With rising costs and the advent of healthcare reform, healthcare administration is more complex and costly than ever. NTT DATA can help you stay ahead of these challenges. We have in-depth experience implementing and managing cloud-based administration platforms, planning and streamlining workflows and utilizing leading knowledge management tools. Our health plan BPO services can streamline your processes, reduce costs, process claims faster and set you apart from the competition.

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