Healthcare case study

COMMUNITY HEALTH CHOICE

Robotic automation saves health plan $4.15M

Community Health Choice leverages intelligent automation to increase efficiency in meeting Medicaid requirements and cut costs by 69%.

At a glance

Industry
Healthcare

Location
United States

Challenge
Manage claims inventory to meet state requirements, prevent backlogs, avoid penalties and free staff to concentrate on member-focused tasks

Products and services
Cognizant Robotic Automation Services

Success Highlights

- Saved $9.9M in labor costs
- Freed 300,000 staff hours for higher-value projects
- Decreased claim turnaround times and penalties

The challenge

Community Health Choice, a local nonprofit managed care organization (MCO) offering affordable and no-cost health insurance plans to more than 375,000 members in Texas, was burdened with complex, high-volume claims processes, and its examiners struggled to keep up with the growing inventory and processing deadlines.

The Texas Prompt Payment of Claims Act requires insurance companies to pay interest, in addition to the amount of the insurance claim, when an insurance company delays payment of a claim longer than the statute's imposed deadlines for claim decisions. Sometimes, the deadline can be as short as 30 days, which can drastically increase potential penalties. If an insurer delays longer than the deadline, it can be liable for interest ranging from 10% to 18%.

Wanting to meet the state deadlines to avoid costly interest payments and to ensure it had the bandwidth for continued growth, Community Health Choice began searching for an automation solution that could help it reduce labor costs, boost staffing flexibility, reduce cycle time and prevent backlogs.

Our approach

Lucretia Butler, Director of IS Systems Applications, had worked with Cognizant on robotic process automation (RPA) at a previous employer and wanted to realize the same benefits for Community Health Choice. Our Cognizant Robotic Automation Services team worked with Community Health Choice to automate claims inventory management, process required claims on time and free staff for more research-heavy and customer-focused tasks. The health plan's first robot went live in 2016, and it currently has 10 active robots working through the TriZetto® QNXT™ core administration system.

Automation streamlines claims processes

The following processes were automated with robots developed specifically for Community Health Choice:

Prior authorization/referral matching (Edit 205)

QNXT generates an edit when a claim is received for a service that requires prior authorization, but it wasn't issued or automatically applied through QNXT. When done manually, our client's employees checked the claim for specific data points, including providers, dates and services. With an average monthly volume of approximately 7,500 claims, this process created a significant strain on processors and put the health plan at risk for a costly backlog. Without automation, the health plan would have needed to pay overtime for manual processing or borrow from other departments to get the claims processed on time. Fortunately, our robots quickly searched QNXT for an authorization that matches the claim data, eliminating the time-consuming, manual process that had an average handling time of six minutes per claim. Robotic automation allowed the health

plan to save more than 750 full-time employee (FTE) hours and roughly nine FTEs monthly. This translates to a cost savings of 83% and $3.6 million saved since 2016.

Provider matching (Edit 101)

Providers must be referenced on all claims, but when a provider is missing from a claim, the claim pends until a record is created and/or attached. This interruption in the claim cycle put the health plan at risk of significant backlog and required time-consuming, manual intervention. Cognizant deployed a robot to research and reconcile claims with missing provider information within QNXT. The robot finds a provider match in the QNXT system and attaches it to the claim. If no provider match is found in the QNXT system, the robot flags the claim for further investigation. By automating this high-volume process—more than 9,200 claims each month—Community Health Choice has saved more than 480 FTE hours per month and $839,000 since 2016, an overall 51% cost savings.

Call tracking

Health plans typically log calls to and from members for plan-related changes or performance and for accurately tracking questions. For instance, Community Health Choice keeps call logs when members need to change their primary care physicians (PCPs). A Cognizant robot monitors the QNXT database for specific verbiage. When it detects that verbiage, the robot opens the record, grabs the new provider information and logs the call in QNXT, noting the call and the PCP change. Automating this process helped prevent employees from duplicating work by re-entering comments in QNXT. With an average monthly volume of nearly 7,100 calls, automating this process has saved Community Health Choice more than $306,000 in operational costs since 2016, the approximate equivalent of two FTEs per month.

Duplicate claim process (Edits 532, 533)

QNXT recognizes when multiple claims are submitted with similar data, such as provider, date of service or services rendered. For these claims, an examiner must validate whether the claim is indeed a duplicate, which is time-consuming and involves considerable risk for human error due to complex exceptions. With an average monthly volume of 6,500 duplicate claims, the manual process put Community Health Choice at risk for low accuracy ratings, a metric that could lead to a financial penalty and jeopardize eligibility for their Medicaid line of business. Our robotic automation solution diminishes the risk by quickly and thoroughly checking data points to compare the claims. Automating this process saved Community Health Choice 672 FTE hours per month, a total labor savings of more than $1.4 million since 2016.

Timely filing (Edit 311)

Every payer has timely filing requirements that vary by state, product and contract. Every incoming claim is reviewed for timely filing and is denied or reimbursed according to payer-specific rules. Without automation, our client's examiners had to manually review each claim, at an average of over three minutes per claim. With nearly 5,000 claims monthly, the process was a significant drain on resources, costing the health plan hundreds of additional FTE hours. Since implementing a Cognizant Robotic Automation Services robot, Community Health Choice has saved 300 FTE hours per month and more than $704,000 in labor costs since 2016, the equivalent of roughly 0.4 FTEs saved per month.

Penalties and interest robot

The Texas Prompt Payment of Claims Act requires insurance companies, including healthcare insurers, to pay or deny a claim within 30 days electronically or 45 days non-electronically. If claims are paid late or underpaid, penalties and interest accrue. Since early 2020, many healthcare insurers have been overwhelmed with priority changes due to COVID-19 which created a large backlog of claims. When Community Health Choice implemented one of our robots, it processed 14,000 backlogged claims in just two weeks, saving the health plan 1,167 FTE hours and preventing significant potential penalties.

Jiva authorization updates

In early 2020, many elective procedures were limited due to COVID-19, which created a backlog. Authorization end dates were extended due to the stress COVID-19 had on the healthcare system. To ensure that Community Health Choice's members were informed of their authorization status and end dates, the Cognizant Robotic Automation Services team created a robot specific to the web-based platform, Jiva, to update the plan's 8,000 backlogged authorizations and send authorization letters to members.

Coordination of benefits (Edit 216)

Coordination of benefits (COB) allows health plans to determine who is responsible for payment when a member is covered by two different plans and ensure that a member's benefits and reimbursement rate does not exceed 100% of allowed medical expenses. COB claims are also paid or denied based on the Medicare plan, benefit plan, type of claim and location of services rendered. Since beginning to leverage a Cognizant robot in April 2018 to automate this process, Community Health Choice has saved over 9,700 manual hours and $210,000.

Harris Health indigent (HHI) enrollment

The Harris Health System's financial assistance program is focused on healthcare access for low-income Harris County residents who don't qualify for other state or federal healthcare programs. While this is a low-volume process with an average monthly

volume of 900, the value of automation comes from ensuring the latest benefits are applied to member claims processing. Since deploying a Cognizant robot in June 2019 to automatically add and update enrollment for Harris Health's financial assistance subscribers, Community Health Choice has saved over 2,800 manual hours and $70,000.

Special investigation unit (SIU) recoupment

Some U.S. states require insurance companies to maintain an SIU—which investigates and recovers funds from suspected insurance fraud or malpractice—to conduct business in those states. Community Health Choice deployed a robot to reverse and adjust claims based on upcode billing. Although this is a low-volume process—with an average monthly volume of 900—this robot ensures that Community Health Choice is processing claims accurately and that members and providers receive their full benefits and compensation. To date, this robot has saved over 1,700 manual hours and $47,000.

"Cognizant has been a great partner in automation, helping us to launch our claims processing automation and expand the impact. We've seen decreases in backlogs, rework and penalties. And we've been able to improve our staffing flexibility while reducing overtime."

Lucretia Butler, Director of IS Systems Applications, Community Health Choice

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Business outcomes

Since partnering with Cognizant Robotic Automation Services in 2016, Community Health Choice has achieved impressive cost and time savings

- Saved $9.9 million in labor costs, with an overall 92% cost savings from automated processes
- Saved 300,000 employee hours, freeing employees to address higher value responsibilities
- Improved staffing flexibility and reduced overtime required
- Reduced the number of reworked claims and associated penalties
- Decreased claim payment turnaround times, which maintains a good standing with Medicaid
- Achieved client's goal of meeting strict requirements mandated by Texas Medicaid and CMS

Due to the excellent results Community Health Choice has experienced with our Robotic Automation Services, it plans to continue the expansion of its intelligent automation initiatives.

About Community Health Choice

Community Health Choice (Community) is a non-profit managed-care organization licensed by the Texas Department of Insurance, serving the local community. Established in 1997 and based in Houston, Texas, Community provides affordable and no-cost health insurance plans, for Medicaid, Children's Health Insurance Plans (CHIP), Health Insurance Marketplace, and Medicare options, to almost 400,000 residents of Texas. Committed to its mission, Community aims to improve the health and well-being of underserved Texans by opening doors to coordinated, high quality, affordable health care and health-related social services. For further information, visit their website at https://www.communityhealthchoice.org.

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