

Case Study

Award winning initiative helps improve end customer satisfaction for a Fortune 50 healthcare insurer



This initiative received an IQPC 2007 Six Sigma IQ award as the "Best Six Sigma project in the Healthcare category".

Background

A Fortune 50 healthcare provider needed to improve its claims adjudications process; increasing customer service in terms of quality, flexibility and easier and faster claims settlements.

The Solution

Firstsource initiated an award winning Six Sigma reengineering exercise to achieve near 100% accuracy in claims processing.

Key Benefits

The initiative resulted in faster cycle times, improvements in overall efficiency in claims settlement and higher end customer satisfaction.

► Background

The client, a Fortune 50 healthcare service provider, serves more than 70 million Americans through consumer-oriented health benefit plans. They are committed to improving customer service in terms of quality, flexibility and easier and faster claims settlements. Since 1998, the company has invested more than \$2 billion in technology and change initiatives to simplify and streamline business processes to better serve their customers.

As part of this customer focus, the company partnered with Firstsource to further improve the claims adjudications process. Firstsource developed and implemented unique and award winning processes that delivered faster claims processing cycle times and improved claims settlements.

► The Challenge

While the client was processing and settling claims well above the industry average, increasing service levels to an almost perfect 100% error free process would enable:

- Customers to get faster and more accurate claims settlements
- Increased customer satisfaction, helping it become a preferred health provider
- Gaining business advantage in a competitive industry

One of the major initiatives to address the claims issue was to improve auto adjudication rates through improvements in upstream quality. While Firstsource had consistently met its SLAs and outperformed other vendors on comparable metrics, it proactively identified further improvements in processes to help the client's business objectives. A core area was non-keyable claims accuracy.

Though the accuracy of non keyable claims was 98%, well within the SLA, Firstsource understood that further improvements in this area would have significant business impact. Improvement of upstream quality could lead to 100% accuracy of non-keyables, or nearly 40,000 claims per month. This improvement would eliminate review and rework, resulting in faster and more accurate settlements to customers with resulting cost benefits to the client.

► The Solution

Firstsource initiated a Six Sigma process reengineering exercise to take the non-keyable claims identification accuracy to 100%. An analysis was conducted to understand the main reasons contributing to 50% of total errors (claims reported as non keyable when they were not). Firstsource's approach was to prevent errors from occurring by improving agent understanding as well as to analyze the reasons for errors when they occurred in order to eliminate them.

The following areas were developed and/or improved:

Business process change

Firstsource studied the non-keyable claims process and introduced an important change to the workflow. In addition to classifying claims as non-keyable, agents were requested to also put down the reasons for this. This resulted in:

- Making agents more aware while terming claims
- Savings in review and re-work as specific problems in the claims were captured

Knowledge sharing portal

To ensure that agents did not miss key due to lack of information, a knowledge portal was setup for keying instructions and rules to facilitate information sharing across agents.

Rehaul of training modules

Training modules were expanded to include examples based on real life scenarios to ensure better agent understanding of customer needs.

In addition, the following were introduced to track and analyze errors and prevent recurrence:

- **Defect tracker:** the tracker captured all new defects which were then incorporated into the standard operating procedure (SOP)
- **Feedback mechanism:** a user-friendly mistake proof interface was developed to capture reasons for claim rejection. For erroneous rejects, agents were given feedback to avoid these recurring

► Key Benefits

The initiatives resulted in:

- Faster cycle times for volumes delivered by Firstsource - overall efficiency improved by 2% resulting in faster cycle times for claims settlement and higher end customer satisfaction
- Accuracy of non-keyable classifications hit 100%
- Over 40% improvement in productivity of non key processes from the business process changes introduced

As a result of its proactive and innovative approach, Firstsource has ramped up operations from 3,000 claims daily at the start of the engagement to more than 100,000 a day. Today, Firstsource is the preferred vendor based on claims processed as well as quality of output, and has helped the client offer faster and better service to their end customers.

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