

Digital Mailrooms: The heartbeat of modern Health Plan Operations

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Executive Summary

Burgeoning administrative expenses continue to burden the US healthcare system. While digitization has permeated the industry, most Health Plans still rely on traditional business processes that suck up time and money and take the focus away from patient experience.

Take the traditional mailroom, for instance. A typical Health Plan mailroom receives 120,000 pieces of mail every month. A vast majority of the paper-based communication – from application submission and policy changes to claim forms and notifications is processed manually, leading to increased effort, inaccuracies and delays. An error rate of just 1% means that 1,200 pieces will be lost, misidentified or mishandled. In the aftermath of COVID-19, the delays were magnified several fold due to the absence of staff during lockdown. Forward-looking enterprises that invested in digital capabilities and implemented cloud-based Software as a Service (SaaS) applications and other AI-powered platforms, sailed through the pandemic without any major impact. However, most Health Plans were not ready, and this impacted their business continuity and member experience.

Health Plans recognize the need for digital transformation in their mailrooms to accelerate processing time and enhance member experience. Transformation, not only in modernizing IT systems but also in how they utilize data to make decisions, engage with members, and deliver customer-centric experiences.

This paper highlights how digitization can help Health Plans move away from paper-based documentation to accelerate processes and drive elevated patient experiences in the post-COVID world.

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Administrative complexities and inefficient processes continue to stress Health Plans

There is little doubt that technology is transforming the healthcare paradigm. On the front-end, advanced platforms, next-gen equipment, and new drugs and treatments are improving patient outcomes. But heavy dependence on paper and legacy systems at the back end is dragging productivity and efficiency down, impacting patient as well as business outcomes.

Although automation across administrative functions is gaining traction, the US still spends more on healthcare and administrative services compared to other developed nations.^{1,2,3} The reason: high levels of Health Plan and system complexities, government regulations, and inefficient processes.^{4,5} The 2019 CAQH Index estimates the cost of administrative complexity in the US healthcare system at \$350 Bn, with \$40.6 Bn spent on eight administrative transactions.⁶

What's more? Heavy reliance on paper-based records makes it nearly impossible to maintain patient-data security and integrity, leading to member dissatisfaction. Processing delays also lead to non-compliance and penalties in the face of a growing member base and increasingly stringent regulations.

Leveraging Robotic Process Automation (RPA), Artificial Intelligence (AI) and Machine Learning (ML) across administrative processes helps not only standardize processes but also increase productivity and deliver a seamless experience. It is estimated that transitioning from paper-based documentation to an electronic format can save the industry up to \$13.3 in annual administrative expenses.⁶

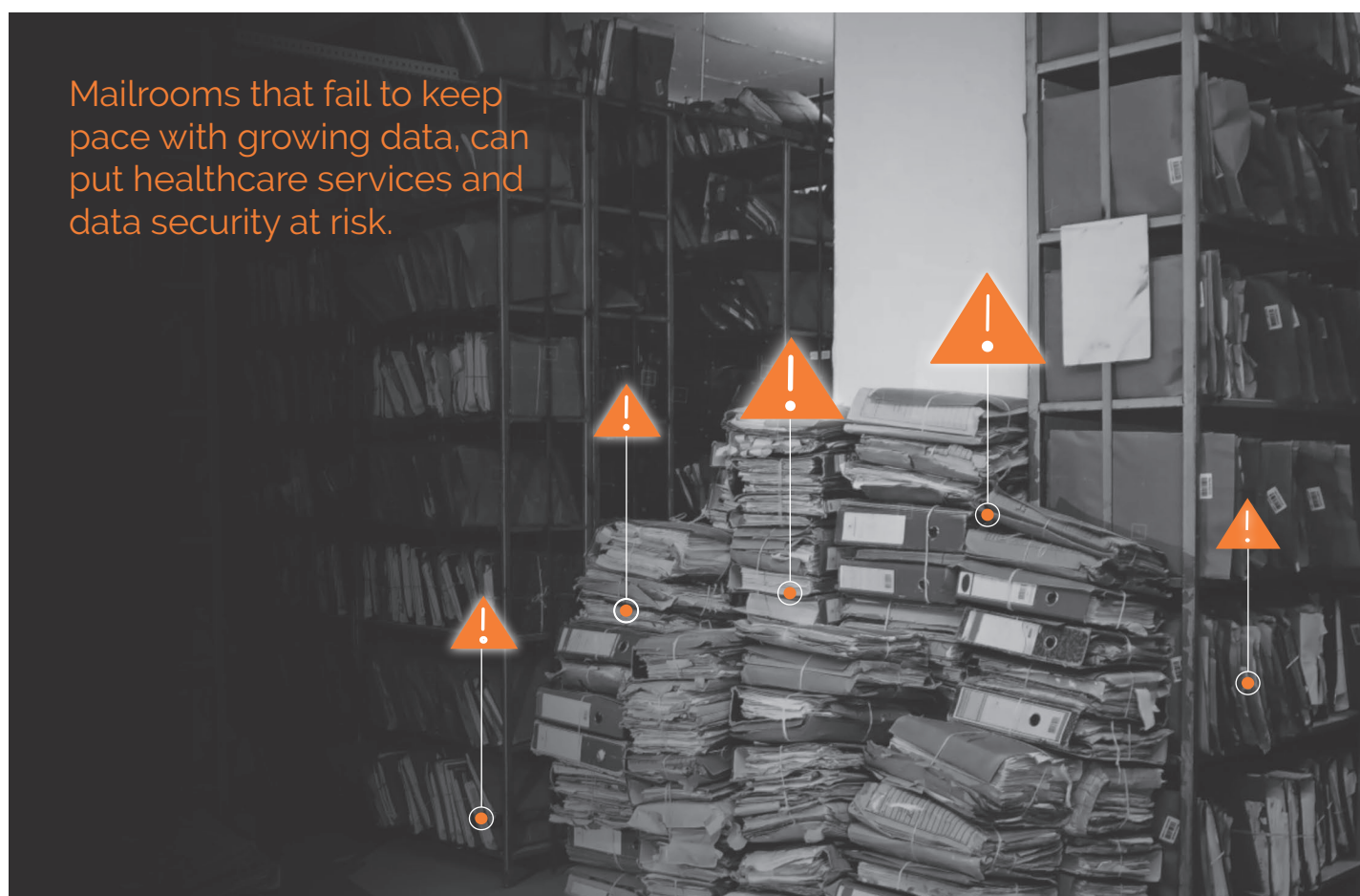
It's time to look beyond traditional mailrooms

Poor data quality and data inflexibility plague Health Plans across the country, with a majority of the issues stemming from challenges with data intake and capture at the source. The traditional mailroom handles documents and documentation of varied types and formats, with the human workforce managing intake as well as outbound activities such as sorting, scanning, indexing, routing, printing, and mailing.

Typically, Health Plans receive approximately 4000 pieces of mail a day. Converting these documents into digital formats requires labor-intensive manual scanning, printing, and sharing, leading to skyrocketing costs. As the volume and variety of content expands across formats, languages and so on, there is an increased risk of errors, inaccuracies, and data security issues. Not only that, any delays in processing can lead to chaos and mismanagement, severely impacting member experience.

The magnitude of inefficiencies became obvious during COVID-19 as Health Plans mailroom capabilities were put to test by staggering inpatient volumes and calls, emails, and inquiries from members. With staff unable to access their mailrooms during lockdown, millions of emails and other correspondence went unanswered, creating a huge backlog.

Mailrooms that fail to keep pace with growing data, can put healthcare services and data security at risk. Automating repetitive, rule-based tasks and reducing human intervention can help increase efficiency and productivity while reducing costs.



It all starts with streamlining the mailroom process through digital transformation

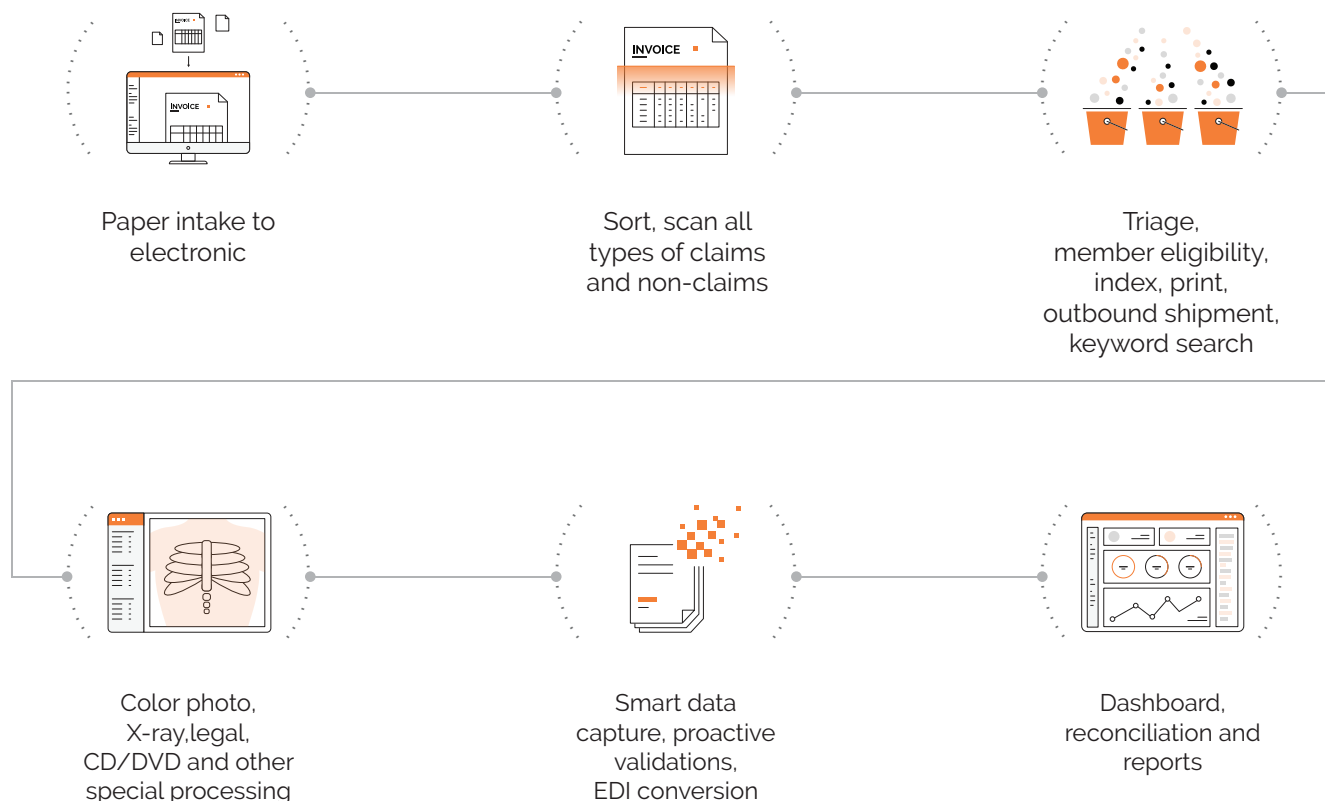
Manual transactions cost Providers and Health Plans much more than electronic transactions. Leveraging cloud-based services not only eliminates administrative waste but also reduces the spend on data center maintenance, hardware and IT labor.

Workflow automation replaces the paper trail with digital data that includes everything an organization creates, sends, and receives – from forms and contracts to claims, invoices and more.

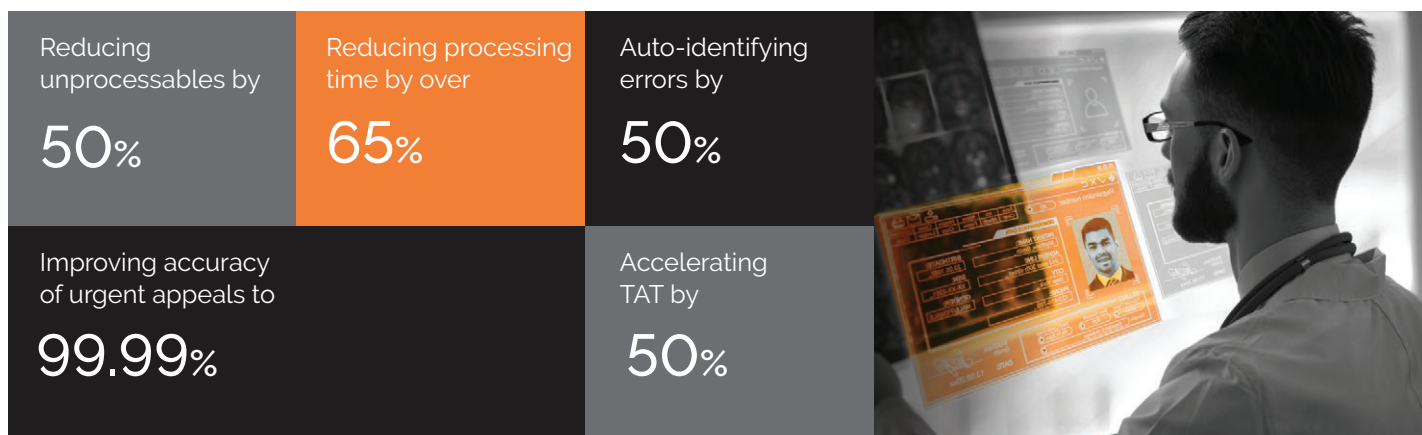
Digital mailrooms leverage Robotic Process Automation (RPA) to accelerate processes and drive collaboration to improve customer experience. Digitization helps capture every aspect of the information flow, irrespective of the format, extracting data and distributing it as images or text. The result: stakeholders have ready access to secure and accurate information for improved decision making – without the laborious process of scanning and sorting.

How does this work? As soon as mails and other forms of communication are received, they are segregated, scanned, indexed, and electronically distributed to reviewers on the cloud and sent out to relevant departments for processing and action. Optical Character Recognition (OCR) is used to recognize the characters in images and extract relevant information. AI adds the power of intelligence to OCR through Machine Learning (ML) and Natural Language Processing (NLP), enabling capabilities such as handwriting recognition or multiple language processing.

Figure 1: Simplified intake process in a digital mailroom

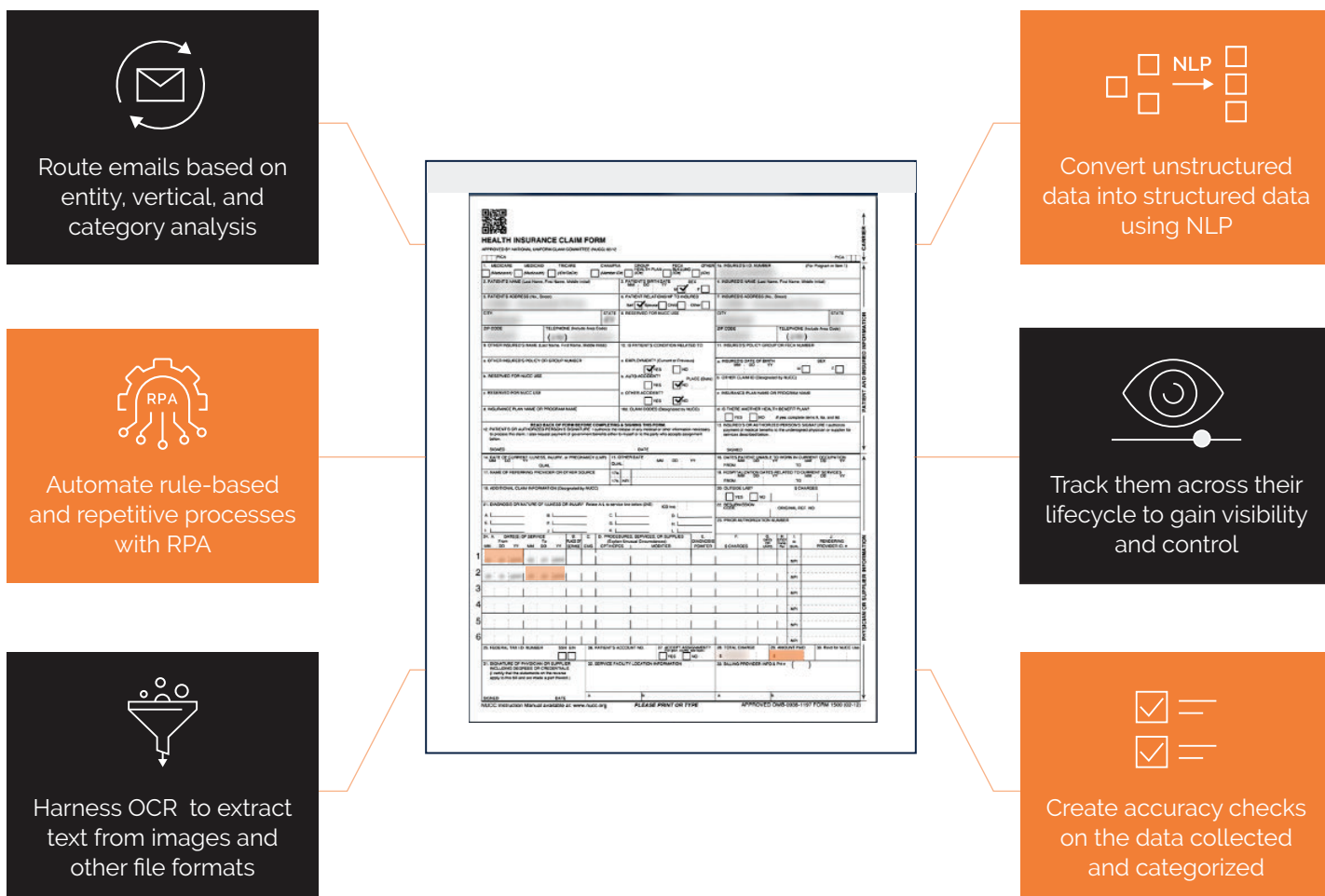


Digitizing mail room and data capture has helped several leading Health Plans* drive significant outcomes including:



*Firstsource clients

Here are 6 ways digital mailrooms help increase productivity and enhance customer experience.



Enhanced patient experience

Rapid information intake enables faster member services, enabling Health Plans to deliver in the Moments that Matter

Protected patient privacy

Digitization enhances compliance with HIPAA and PCI standards, ensuring member privacy and data integrity



Reduced operational costs

Digital mailrooms accelerate downstream processes and lower manual intervention to reduce costs

Automated processes

Fewer touchpoints and exceptions simplify the steps involved in settling claims, leading to superior management and member service

Improved accuracy

More than 50% of claims are rejected due to errors, costing patients and organizations time and money. Digital mailrooms improve accuracy by mitigating human errors.

Digital mailroom for application and underwriting processes

Increase productivity by up to

60%

Reduce processing time by

70%-90%

Generate cost savings of up to

20%

How leading Health Plans are making the most of digital mailrooms

A US healthcare major bolsters its Consumer Driven Health (CDH) plan



The goal

A leading US Health Plan wanted to enhance its overall business process and operational efficiency by eliminating waste and optimizing costs. Goals included:

- ▶ Significantly slash the potential impact of \$2 Mn due to rework
- ▶ Reduce instances of mispayment – potential annualized impact of \$1.9 Mn
- ▶ Reduce adjustment edits – potential annualized impact of \$125,000

The solution

- ▶ Enabled error contribution using Pareto Analysis
- ▶ Adopted a lean approach to eliminate duplicate claims
- ▶ Enhanced duplicate point rating system
- ▶ Reduced Provider pick errors by eliminating missed provider match and cross-checking National Provider Identifier (NPI)
- ▶ Reduced Coordination of Benefits (COB) error by implementing a solution to validate manual calculation of patient responsibility
- ▶ Improved performance on split claims processing through gap identification

The result

- ▶ Mispayments reduced by 97% from \$0.88 to \$0.03
- ▶ Reduced exposure due to over and underpayment by 98%
- ▶ Identified 43% reduction in adjustment volume as compared to the goal of 40% reduction – additional savings of \$63,240
- ▶ Eliminated 19% of claims volume hitting manual review queues
- ▶ Reduced overpayment and underpayment of 1 Mn claims
- ▶ Enhanced cycle time and quality by prioritizing claims

A leading Health Plan accelerates appeal processing time by 66%



The challenge

Associates were required to manually identify over 50 appeals, sort and read each appeal to identify more than 65 keywords from over 75 different inputs. This resulted in a TAT of approximately 12 hours. The client wanted to reduce the TAT to four hours.

The solution

Deployed a hybrid business model (onshore/offshore) underpinned by AI/ML capabilities to automate the sorting of urgent appeals based on business requirements.

The result

66% reduction in processing time. 99.99% improvement in the overall accuracy of urgent appeals. This reduced the Health Plan's costs and increased its STARs rating and NPS score.

6 critical aspects to consider when choosing your digital transformation partner

Scaling digital mailroom operations, both during normal as well as unprecedented times, calls for a perfect mix of digital capabilities, strategy, and service structure. It also entails intangible costs such as ensuring compliance and training, in addition to capital and operational costs. Partnering with an experienced service provider helps short-circuit these roadblocks and chart a path to rapid ROI. Here are some key criteria to look for when choosing a digital mailroom service partner.



Offers process mining, multi OCR, automation and AI/ML to improve efficiencies while reducing manual work and costs



Deploys easy to use processes that improve compliance, accuracy and TAT



Quickly addresses new requirements and accelerates onboarding and TAT



Enables business control, transparency and operations visibility through analytics and dashboards



Ensures risk-free migration for business continuity



Provides collaborative partnership, cloud-enabled, on-demand scalability and flexible pricing




Unleash the power of digital mailrooms

The post-COVID world poses profound challenges to traditional mailroom operations. The risks associated with delayed or mishandled pieces of communication can impact cash flows, compliance and the customer experience. With so much in jeopardy, Health Plans that act quickly to digitize mailroom operations will imbue agility and flexibility into their processes, increase productivity, and enhance the customer experience – ultimately leading to customer satisfaction and competitive advantage.



Are you keen on improving your operational excellence? We can help you digitally transform your mailroom operations through automation and AI.

 To speak to our experts, [click here](#)

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