

A Tactical Decision Becomes a Strategic Partnership: Parkview Health Plan Services and ikaSystems

A critical challenge facing health plans is the need to eliminate inefficiencies across the organization. In the IT arena, most plans are juggling a complicated technology portfolio consisting of multiple claims applications and add-on systems; thus, the push to simplify this portfolio and minimize the resources required to manage vendor relationships has never been stronger. However, reducing the number of vendors supporting the organization places a greater priority on careful selection of the right vendor, which must become a strategic partner in the plan's success.

Indiana's Parkview Health Plan Services (HPS) began working with ikaSystems in 2006 as part of a tactical decision to replace an ancient claims application. The relationship quickly evolved into a close partnership as both organizations worked together to obtain optimal results and build a foundation of mutual trust. That partnership has allowed HPS to capitalize on the benefits of having multiple applications on the same technology platform and working with one vendor.

The Need for Speed, Accuracy and Efficiency

Parkview Health is a not-for-profit, community-owned health system that is northeast Indiana's leading provider of healthcare services. HPS, a division of Parkview Health, is a preferred provider organization serving northeast Indiana and western Ohio with its chief product line, the 50,000-member Signature Care PPO network. The Parkview Health employee group, which has about 12,000 members, is its largest client; the remaining membership is made up of small groups, for which HPS provides repricing services.

In 2003, HPS found itself struggling with the limitations of its legacy claims system and its sluggish auto-adjudication engine, which utilized an obsolete programming language. Claims had to be scanned into the system, and only a small portion could auto-adjudicate.

"The only claims we could get the system to auto-adjudicate were claims for office visits, and the system would only auto-adjudicate about 30 percent of even these," said Philip Henneman, RN, director of HPS Clinical and Technical Operations.

To increase the system's reach and accuracy, HPS could have updated its interfaces, but this would have been a costly step. Instead, the organization worked with a vendor to develop a workaround that enabled claims to be submitted to the system electronically. The solution was limited, however, and the results were not HIPAA compliant.

"It would have been extremely costly to make the EDI interfaces HIPAA compliant," said Henneman. "We elected to use the workaround to get EDI claims into the system instead."

In late 2004, HPS executives made the decision to seek out a new claims system, hiring a consulting firm to help it conduct extensive research into competitive offerings and plot the proper course of action. The goals were clear.

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“We wanted to improve our auto-adjudication rates, increase the accuracy of claims payment, and acquire a system that was completely flexible,” explained Henneman.

Any solution would have to allow for complex provider fee schedules, be HIPAA compliant and allow for secure, confidential transactions, and provide members and providers with information on claim status, including benefit plans, member eligibility and transaction history. HPS was also looking for an ASP-model solution that would minimize infrastructure requirements and have low implementation costs. Ultimately, the goal was to decrease costs and move toward real-time claims adjudication and provider reimbursement.

ikaClaims was selected in late 2005. Primary reasons driving HPS’ choice were the following:

- ikaSystems’ technology platform and ability to deploy solutions in a modular fashion
- The company’s healthcare expertise
- A unique commitment to customer service, collaboration and partnership
- Guaranteed short time to value

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Delivering Results

ikaClaims is a rule-based system that allows plans to upload benefit plans and provider contracts at a very granular level, resulting in extremely high auto-adjudication rates. The system includes more than 13 modules, including EDI-Payer, Benefits, Provider, Membership, Claims, Authorization, Code Maintenance, Reinsurance, Payment, Data Exchange and Call Center.

Implementation of ikaClaims began in March 2006. ikaSystems’ business analysts rose to the challenge of configuring the claims system to meet the requirements of HPS’ commercial product line, accommodating subscribers, dependents, COBRA claims, different provider contracts and benefit sets. Data elements from the legacy system were carefully mapped to ikaClaims data elements to successfully import existing data into the new system. Testing was completed in September and co-processing in October; in November, the system went live.

Over the next year, HPS installed ikaPortals for members, employers and providers. ikaPortals create a Web-base platform for external collaboration, giving these constituents self-service access to an array of information and functionality while reducing health plan administrative resources.

With these deployments, HPS accomplished all of its original goals while increasing its flexibility to introduce and assess new products, new strategies and new initiatives. Quantifiable results include the following:

- Claims turnaround went from 15 to 0 days.
- Re-pricing turnaround went from 7-8 days to 0-1 day.
- The portals substantially decreased customer service calls from payers and providers regarding explanations of payment (EOPs).

Keys to Success

Working together, HPS and ikaSystems uncovered the following best practices:

- **Auto-adjudication is not just a technology challenge.** Organizations must balance the desire for high rates of auto-adjudication against the need to protect against potential inaccuracies. HPS started with a lower auto-adjudication rate because it wanted to ensure that the claims paying without manual intervention were correctly processed.
- **Network with peers to understand the possibilities of technology.** Participation in ikaSystems' Advisory Board meetings, in which clients share their experiences with ikaSystems solutions, was instrumental in HPS' decision to invest in additional solutions and to embrace ikaSystems as a partner, not just a vendor.
- **Digest and stabilize your deployment before you take on more challenges.** HPS staggered technology deployments over a period of just over two years. Between each installation of an application, HPS spent several months adjusting to the existing new technology and planning for future solutions.
- **Be sure to include everyone with a need to know.** Knowledgeable employees are often overly committed, and health plan management may want to protect those individuals from the distraction of an implementation. However, project success depends on having the most experienced staff from all affected areas participate from the earliest possible point.

A Bright Future

In late 2008, HPS decided to invest in analytic technology to support its care management initiatives. In early 2009, implementation of ikaProHEDIS+ and ikaUA (utilization analytics) began. These solutions will allow HPS to perform medical expense analyses to identify efficient and effective providers and members who would benefit from disease management initiatives, as well as evaluate its networks' performance and better manage the medical expense budget. ikaProHEDIS+ will allow HPS to proactively monitor progress toward meeting HEDIS benchmarks and, more importantly, to share that information with physicians so that member compliance can be evaluated on a regular basis and quality can be improved.

What began as a quest to solve one significant business issue has resulted in a high-value partnership between two industry innovators that promises to yield as much success in the future as it has to date.

As Henneman concluded, "ikaSystems has truly been a very strategic business partner. The company has been willing to listen and interested in how HPS conducts business, and it has worked hard to make us successful. ikaSystems understand that the success of its clients spells success for ikaSystems as well."

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ikaSystems is healthcare payers' premier provider of Web-based ERP technology for process automation and intelligence management. ikaEnterprise, the company's flagship product, automates all key processes in the payer business cycle, supporting commercial, Medicare and Medicaid lines of business. The system consists of five stand-alone, self-service Web portals for sales/broker, administrative, employer, member and provider use, each of which are tightly integrated with business intelligence and transactional systems for core claims adjudication, care management and proactive quality measurement and reporting. Using our agile, modular technology, organizations can move quickly to lower administrative and medical care expenses through greater automation and highly intelligent decision-making.

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