

ikaSystems Customer Case Study – Unity Health

ikaSystems Sales Portal Dramatically Increases Number Of Quotes, Streamlines Enrollment Process for Unity Health.

Unity Health is a locally owned and operated health insurer based in Sauk City, WI. Unity has roughly 76,000 members. The Employees of the State of Wisconsin make up a large portion of this membership - roughly 30,000 members. Of these members, approximately 3,500 purchase Medicaid through Unity. Unity has approximately 25,000 large group members, 17,000 small group members and 1,200 individual members that purchase HMO, POS and PPO products through the health plan. Prior to the ikaSystems solution, 10 to 15 new groups accepted proposals from Unity each month, and roughly 200 new members enrolled each month. Approximately 1,300 groups underwent the renewal process at Unity each year.

Unity recently replaced many paper-based processes with the ikaEnterprise system. Systems implemented included the Sales Portal, Employer and Member Portals (including the enrollment portion of the portals), and the Underwriting and Admin portals. The Sales Portal has dramatically increased Unity's internal sales representatives' and brokers' ability to quote, and has provided streamlined online renewal processes. "Our processing time is faster and the turnaround time for these processes is far more efficient," says Radovan Bursac, Vice President of Finance for Unity. "Improved customer service is part of what we have gained in terms of using this system."

The Situation

Unity Health' staff included seven underwriters and nine internal sales representatives. The annual compensation for the underwriting staff was \$400,000, and the annual compensation for the sales staff is \$600,000, or roughly \$1 million in base salaries. Unity, which also works with external broker agencies, began facing mounting obstacles by the summer of 2005.

Enrollment and renewal processes for groups and individuals were handled through manual paper-based processes. The processes were time-consuming. Brokers would complete paper quote request forms, and then either email them or fax them to Unity at a rate of about 50 per month. Once these forms were received, Unity's sales staff would examine the forms, verify that appropriate health plan products were being requested, and send them to representatives in the Underwriting Department. Underwriters would then create the medically underwritten quotes, and send the forms back to the Sales Department, which in turn returned the forms to the brokers. The brokers would then present the forms to the groups. If the groups accepted the rates and decided to become enrolled in Unity, they would fill out a rate acceptance form and send it back to the broker, which in turn would send the form to Unity. The groups would then fill out a group application along with other required group forms. Each employee, in turn, would complete the uniform group employee application form, and submit this with prior carrier bills, wages, tax statements and the first month's premium to Unity's sales staff. "From the time of the

quote, this would take probably a six to eight week process,” says Dave Roughen, Director of Internet Applications Support for Unity.

Brokers had to contact Unity through either phone calls or faxed paper requests to obtain alternatives to quotes. These alternative quotes would then have to be processed and sent back to the agents, who would present them to groups. “We would have to go back and forth for the quote alternatives,” says Roughen. Overall, Unity saw a shortfall in the number of annual quotes.

These paper-based processes were likewise prone to errors. Potential members frequently failed to answer some questions on enrollment forms, or left questions incompletely answered. This slowed down the pace of work for the internal sales representatives and two sales department support staff members who worked with the agents and groups to facilitate quoting and enrollment.

The renewal process was also paper-based, slow and archaic. Bursac says brokers and internal sales representatives for the health plan managed renewals by manually entering data into an Excel spreadsheet and reviewing it periodically. The health plan’s rating engine was also based on Excel spreadsheet calculations. Underwriters generated rates by manually inputting data into the spreadsheet to generate rates. Unity sought to change all of this. It sought to automate its business processes, reduce its administrative costs and enable its staff to be more productive and generate more business volume.

Seeking Answers

By the early fall of 2005, Unity’s leadership team began to look for new ways of adding efficiency to its business processes. “We were trying to make Unity a company that would be easy to work with and also had the best processes,” says Roughen.

The team included Terry Bolz, Unity’s CEO; Gail Midlikowski, Vice President of Operations; Kathe DeVay, Director of Underwriting; and Roughen. The team’s search for a Sales Force Automation solution began in September 2005. The solution would have to meet the following requirements:

- It would have to feature a flexible, user-friendly broker portal that enabled brokers to pick canned plans and customize benefits to a client’s needs.
- It would reduce the turnaround time for the quoting to enrollment process.
- It would provide a superior rating engine.
- It would enable swift, automated renewals.
- Overall, it would reduce or eliminate the errors that are commonplace in a manual, paper-based process.
- The system would have to be flexible and customizable; designed to meet Unity’s specific needs.
- It would have to be provided by a company that could ensure a quick and efficient implementation.

Unity also sought a vendor that would provide the best value for its money. The system would also have to be easy to use. “If it required a lot of training, it would not be something that we would want to put in the marketplace,” says Roughen.

The team identified top vendors in the marketplace, and invited six of them to come to Unity and provide demonstrations. ikaSystems was one of these companies. During the demonstrations, Unity learned that many of the vendors offered either a rating engine or Sales Force Automation solution, but not both. ikaSystems proved to be the exception. It provided superior functionality in both areas all the way from the quoting phase to its support for data feeds coming from the claims system. Unity made the decision to purchase ikaSystems’ Sales Force Automation solution, which included the Sales Portal, in December 2005. “Unity felt that ikaSystems could meet our needs, and provide us with a sense of trust and a partnership that we could not achieve with the other vendors,” says Bursac.

The Solution

The solution features ikaSystems’ Sales/Broker Portal. The portal enables the generation of individual and small group quotes, and large group information submittal, including previous claims experience for online underwriting and the initiation of online enrollment. It provides Unity with a varied set of functions including quoting of individual, small, and large group products, experience rating, medical underwriting, proposal generation, enrollment, renewals, client/prospect management, billing, commissions, secure messaging, licensing, accounts receivables, premium history, customer service and comprehensive reporting.

The Sales Portal has a superior prospect tracking system for individuals and large and small employer groups. The system categorizes, records, stores and tracks prospects per a client’s dictated business rules. It can differentiate between new groups and previously quoted groups. For previously quoted groups the database stores historical data, such as quoted on products and benefits, which enables the viewing of an accurate history of past transactions. The prospect tracking system also tracks groups ready for renewal and provides a variety of reports on the detailed history of all processes and proposals generated for that group.

The system comprehensively manages all small and large group related transactions. For individual products, Medicare, and Medicaid, the system can automatically collect information and send it to the underwriter for approval. Once approved, the system can also enable premium payments in a variety of ways: mail, ACH, credit card or electronic checks. The system can also collect extensive information on groups, brokers, contracts and members. The information can be stored, retrieved and processed based on the health plan’s business rules and needs. In addition:

- Sales managers can track all broker activities and generate management reports in terms of product sales on county, broker activity, zip code, SIC code and plan and product competitor levels. For example, managers can determine what products are sold when and where. Sales managers can also generate reports on external broker sales commissions and performance levels.

- From one location, the head of sales and marketing can monitor the entire sales activity across the carrier. He/she can determine if a manager is selling and which products he/she is selling well, and the sales rep that are more successful. In addition, the head of sales can monitor involvement activity, and query the system for reports based on broker/manager, group size, and SIC code.

The system is extremely flexible and can be easily configured to incorporate business intelligence that maximizes the success of brokers and internal sales reps with their prospects. The system enables users to bring up an old quote, modify the information and then re-quote on a product without having to re-key group information. This enables agents/brokers to re-quote and provide discounts online and in real-time to their customers.

The system's reporting feature is extensive and provides information on how long the sales process has taken from status to status such as where a broker is in a pended process, how long it took for the case to move to the next level, how long it took to close and who made changes to a record. Management can easily identify problems with brokers, internal staff or underwriting.

Implementation

Implementation of the system was quick and successful and was completed in six months. Implementation discussions began in December 2005. ikaSystems business analysts worked closely with Unity representatives during a Requirements Gathering and Design Phase in January 2006. Implementation took place between February and April of that year. Once these phases were complete, engineers worked with Unity to configure the system. Testing for the system was completed in May and June 2006. During this period ikaSystems analysts trained Unity's internal staff on how to utilize the system.

The staff members in turn began training the brokers that work with Unity. The Sales, Underwriting and Admin portals went live on July 11, 2006. The Employer and Member portals went live in October 2006, and the automated renewal portion of the Sales Force Automation system went live in November 2006. "Overall, the entire process went extremely smoothly," says Roughen. "There were some challenges in the beginning, but ikaSystems completed everything to our satisfaction."

Unity's Brokers and sales representatives now use the Sales Portal to reach groups, generate proposals and enroll members.

- The Sales Portal has enabled Unity to dramatically increase its quoting capabilities. In the month of September alone, the portal enabled Unity to generate 300 new quotes. This represents a 50% increase over the number of quotes generated in the same month in 2005. "Clearly, we have seen a remarkable increase in the volume of quoting we can now produce," says Bursac.
- Rate generation is now instantaneous. This enables brokers and sales representatives to provide accurate rates and reduce turnaround time.

- The system reduces manual data entry and errors. The Sales Portal handles data entered on every single page at an atomic level. Its screens feature required data fields that are marked with asterisks. This enables the system to check for errors at each data entry point. If an error is committed, the user is required to correct it before the system would allow them to proceed to the next step. “The reduction in enrollment form errors is incredible,” says Bursac. “This system provides a validation process that increases data integrity dramatically.”
- The system streamlines all processes. Turnaround time for front end processes, including sales and enrollment, has dramatically increased. “This provides the sales agent, employer and member with the ability to complete all of this online,” says Roughen. “Paper is not required. Instead, forms can be downloaded as needed, and it is possible to conduct entire transactions electronically.”
- The system provides Unity with electronic enrollment capabilities. Unity normally enrolls about 100 new members per month. Half of these are now being processed electronically through the Member portal. “And these are becoming increasingly electronic as users become familiar with the system,” says Bursac.
- The system is easy to use and train people on. “It is easy to learn, intuitive,” says Roughen. “We required a system that sales agents can look at and discern how to use on their own.”

Renewals are now processed automatically as they arrive directly from Unity’s claims system to the ikaEnterprise Underwriting module. The online renewal process began at Unity on Dec. 15, 2006, and now takes approximately 75% less time to complete than the paper-based process, according to Bursac. “This process has gone from 100 paper touches per month by underwriters to a system that is completely automated,” says Bursac.

Benefits

Once the Sales Portal went live, Unity Health began to see tremendous benefits.

Brokers produce more quotes in a shorter time period: “Clearly we can see a dramatic increase in the volume of quoting,” says Bursac.

Manual paper-based processes have been dramatically reduced: “Previously, we logged all of this information manually,” says Bursac. “Now, this is all being done for us.”

Rating is automated and precise: “The ikaSystems rating engine reduces turnaround times for us at an incredible rate,” says Bursac. “It was the rating engine that we were looking for.”

Since the portals went live:

Unity generated 300 new quotes in one month, a 50% increase over the same amount of quotes processed in the same time period in 2005.

Unity now processes 100 renewals per month with the ikaEnterprise solution. These renewals are processed in approximately 75% less time than they were with a manual paper-based process.

Next Steps

Encouraged by its experience, Unity Health is now considering purchasing ikaClaims, the ikaSystems online claims processing system. “We are considering this and potentially a number of other systems that ikaSystems offers,” says Bursac.

For more information

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