

UPMC Health Plan Optimizes the Medicare Sales Process with ikaEnterprise for Medicare

UPMC Health Plan is the second-largest health insurer in western Pennsylvania, serving more than 1.4 million members. The plan's provider network includes its owner, the University of Pittsburgh Medical Center (UPMC), one of America's top-ranked health systems, as well as more 100 hospitals and more than 11,500 physicians in a 47-county region.

In early 2006, UPMC began an aggressive campaign to grow its Medicare HMO and PPO product lines that combined television, print and radio advertising. However, the plan's legacy sales force automation application had significant limitations. Designed primarily for commercial group campaigns, the system was difficult for sales staff to use, leading to workarounds involving spreadsheets and data entry, which in turn were inefficient and error-prone.

UPMC began to seek an alternative tool for sales force automation. Chief information officer Ed McCallister worked with IT and business groups to identify the following primary system requirements:

- The ability to be highly customizable to UPMC's specific needs
- Flexibility for sales representatives, brokers and other users
- Online efficiency to facilitate the sales process
- Low total cost of ownership

A Smart Decision

UPMC selected ikaEnterprise for Medicare from ikaSystems in July. Important factors guiding the decision were the company's:

- Healthcare domain expertise
- Partnership approach
- Commitment to customer service
- Guarantee of a short time to value
- State-of-the-art technology that allowed modular deployment

"We were impressed by the flexibility of the solution," McCallister explained. "Many vendors said, 'We can do this or this,' but only ikaSystems offered integrated, interdependent solutions that would allow us to use the same systems for multiple pieces of our business and take advantage of the overlap for even greater value."

Taking the First Steps

The first components of ikaEnterprise for Medicare, the Medicare Sales Portal and the Enrollment Pathways Module of ikaMedicareGateway, went live in November. UPMC was able to automate sales and underwriting processes, including premium billing and commissions, as well as Medicare application validations and enrollment processes.

Implementation was remarkably quick. ikaSystems business analysts worked closely with UPMC Medicare personnel to gather requirements in July and August 2006. System design began in September. Analysts met with UPMC business groups to refine the requirements, a challenge because UPMC lacked business requirements documentation and process mapping experience. Engaging a consulting firm to assist with process mapping helped UPMC lay the appropriate

groundwork for system configuration. Data conversion and training for the Medicare team occurred in October, and the system went live in November.

In looking back over the process, McCallister recommends that organizations develop a comprehensive change management plan — training alone is not quite enough to make a technology implementation go smoothly. In addition, creating highly customized business rules takes time, and organizations should plan accordingly.

A year later, the Reconciliation Module of ikaMedicareGateway was added, automating membership and payment reconciliation as well as corresponding workflows. According to McCallister, “The most critical thing is that now the brokers and sales people have the right tools to get the job done, and ikaSystems has been a great partner in dealing with any issues.”

A Dramatic Before and After

In addition to achieving its growth targets, UPMC realized some very tangible benefits from implementing ikaSystems technology:

- Before, an application took 15 minutes on average to process, and information had to be entered into the system from paper. Now, an application takes 3 minutes, with greater accuracy because of ikaMedicareGateway’s real-time link to the MBD extract file from CMS’ MARx database.
- During annual enrollment periods before ikaEnterprise for Medicare, UPMC needed to bring on board 10 temporary FTEs, who (in addition to regular staff) worked a minimum of 56 hours in a 6-day workweek just to accommodate the volume. After the first phase of implementation, UPMC was able to re-deploy 3 permanent staff and eliminate the hiring of temps; even after a 30% growth in the program, UPMC only needed 2 temps during open enrollment, with no weekend overtime.
- The manual processes in place before ikaEnterprise resulted in serious data quality problems, leading to errors that could hold up payments and resulting in a tremendous amount of rework. After, enrollment accuracy rates of 99.9% have led to faster and more precise payments. In addition, reconciliation time has been reduced by 70%, speeding the discovery of discrepancies and missing dollars.

UPMC has also improved its ability to assess the impact of its campaigns and thus develop more effective recruiting strategies through better data collection and reporting capabilities.

According to McCallister, “We could not have met our aggressive growth goals for our Medicare business without the business solution provided by ikaSystems.”

Looking Ahead

ikaSystems’ modular technology allowed UPMC to build its trust in a new vendor while minimizing its IT risk. With these successes under its belt, the plan continues to roll out modules of ikaEnterprise. Quote-to-card functionality for small-group sales went live in early 2010; employers with between 2 and 50 employees can register online to evaluate health plan products, receive quotes, enroll their groups and initiate the member enrollment process, while their employees can complete their enrollment process — all online, without generating paper or involving insurance brokers.



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ikaSystems is healthcare payers’ premier provider of enterprise-level Web-based technologies for commercial, Medicare and Medicaid lines of business. ikaEnterprise, the company’s flagship product, automates all key processes in the payer business cycle — from marketing and sales through claims administration and customer service to care and quality management — all on a single integrated platform. Using our agile, modular technology, organizations can proactively move to lower administrative and medical care expenses and thrive in even the most challenging environments.

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