

Beyond Workflow:

The Benefits of Straight-Through Automation

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Think of repetitive, manual tasks within your business processes as drips from a leaky faucet. If your sink drips all day long, you can lose buckets of water.

When you have already streamlined your company's business processes through automated workflow, how do you gain even greater efficiencies and avoid wasting precious resources such as time and money? Move non-value-added tasks from associates to "automated agents" that work through processing steps without human intervention.

The Next Logical Step

With a foundation of workflow to automate the movement of work between individuals and departments, the next logical step is to automate or eliminate repetitive tasks within each work process.

Straight-through processing uses predefined business rules or instructions to automate individual and/or groups of work steps and performs functions similar to how associates process work: obtaining work from the workflow, executing a predefined set of instructions, and interacting with other integrated application systems. The engines that execute the instructions are known as automated agents.

The predefined instructions can be as simple as evaluating the value of a data field and routing the work accordingly, or can be as complex as entering a transaction into a business application. Automated agents continue to pull work from specified processing queues until there is no work remaining, at which time they "rest" for a predetermined period (usually seconds) and then begin the process again.

Beyond the obvious benefits of eliminating duplicate data entry, increasing processing speed, and increasing accuracy, automated agents can significantly increase an organization's processing capacity without additional personnel.

A financial services company utilizing the Automated Work Distributor™ (AWD®) from DST, has automated their data validation processes. In this scenario, when AWD receives a specific business fax, it automatically creates a corresponding work object. After a form is indexed, AWD's automated agent performs a battery of tests on the indexed data.

Such tests determine if the work meets predefined "high-value" criteria, if the transaction should be executed or rejected due to predefined rules, and to which subgroup within the department the work should be routed.

Transactions that pass all of these tests are routed to an associate for verification and then returned to the automated agent, which automatically enters the transaction into the line-of-business system and waits for an acknowledgement from that system. Upon receiving an acknowledgement, the automated agent performs a final test to determine if the transaction incorporates enough shares to require a quality review and then routes the work accordingly.

Prior to the implementation of AWD, the data validation process was completely manual. The result has been reduced overall process time per transaction, increased accuracy of data entry into the line-of-business system, and increased uniformity in the application of business rules.

Another financial services company utilizing AWD automation has eliminated redundant data entry and improved the quality and integrity of the data when updating their legacy system with customer-related information from workflow.

This updating process is now completed faster and with greater efficiency than it had been completed with associates. The automation also eliminates the need to quality-check the data entered and the need to correct input errors.

The hours once spent on simple, redundant tasks can now be dedicated to enhance customer service and allow associates to do what no automated agent can do: provide subjective judgment for exception handling and more complex processing.

The Biggest Bang

AWD provides the unique ability to seamlessly move work items to and from automated agents and associate processors or "knowledge workers." The knowledge workers moniker is applicable because these associates provide subjective, knowledgeable analysis to complex transactions and processing exceptions.

It stands to reason that automated agents can work without human intervention so

long as all of the data required to complete the work is readily available within the workflow system, or within another integrated application system or database, and delineated in the predefined rules.

Therefore, knowledge workers provide added value because they are privy to various types of transient data, or event-based content, that may not be, or cannot be, documented within workflow.

When combining the machine-like efficiency and accuracy of straight-through processing with the reasoning power of the knowledge workers, companies are able to maximize the use of all of their resources. For example, a major U.S. financial services firm already relying on AWD for workflow was faced with additional challenges associated with end-of-day fund pricing. Fund accountants were rushing to manually calculate daily NAVs in order to submit prices for publication in the next day's newspapers.

With AWD's straight-through processing automatically verifying fund prices, fund accountants now focus only on securities exceptions when calculating end-of-day pricing, rather than sifting through pages of securities data.

Utilizing rules-based work delivery to eliminate redundant tasks while allowing knowledge workers to provide subjective analysis is a rewarding combination. To determine how much time and money you can save with process automation, you should first identify redundant tasks. Specifically, look for those functions that can be moved from processing by people to automated processing—to provide your organization with quantifiable return on investment. ■

DST Technologies, Inc. is a wholly owned subsidiary of DST Systems, Inc. Through sophisticated information processing and computer software services and products, DST helps clients improve productivity, increase efficiencies, and provide higher levels of customer service. For clients in a variety of industries, including mutual funds, brokerage, healthcare, insurance, and video/broadband, AWD has helped reduce the cost of operations while increasing the speed and accuracy of transaction processing and customer service through business process management technology.

For more information on AWD, call (888) DST-INFO or e-mail awdinfo@dstsystems.com.

Best Practices in Workflow: IHC Health Plans

Good organizations are recognized for their achievements. But the best never rest on their laurels. Intermountain Health Care (IHC) has won several awards this year, ranking them high in national healthcare studies. Yet for this integrated healthcare system, the recognition is just one layer of a continuous business improvement strategy through technology.

In January, IHC was named the nation's top integrated health system in a study conducted by *Modern Healthcare* magazine and SMG Group, a Chicago-based health information organization. IHC also ranked No. 2 in the same study in 2001 and No. 1 in 2000.

The 2002 study reviewed health systems based on hospital utilization, financial stability, services and access, physicians, outpatient utilization, and technology integration.

It is no surprise then that their ability to apply new technologies has been recognized, too. In July, a study by the industry magazine *Hospitals & Health Networks* ranked IHC in its Top 100 list of "Healthcare's Most Wired." The study polled 794 health systems on their usage of Internet-based technologies to connect with patients, doctors and nurses, employees, suppliers, and health plans.

From a practical standpoint, awards for implementing technology would mean little if IHC did not also reap tangible benefits from their investments. The Most Wired study found that hospitals making the top 100 list had better expense control and higher workforce productivity than the nation's hospitals as a whole.

This quest for continuous process improvement was the impetus for IHC Health Plans (a division of Intermountain Health Care) to implement the Automated Work Distributor™ (AWD®) workflow technology. AWD is a product of DST Technologies, Inc., a wholly owned subsidiary of DST Systems, Inc.

AWD workflow, integrated with IHC Health Plans' other internal applications systems, has helped them to maintain their strategic edge while controlling costs and increasing productivity across the organization.

Going Paperless

The IHC health organization includes hospitals, clinics, affiliated physicians, and health insurance plans. Their business operations manage enrollment and claims processing and offer customer service to its more than 470,000 members.

Before implementing AWD workflow, IHC Health Plans' operations were organ-

ized along functional boundaries of membership enrollment and eligibility, customer service, and claims processing. Those boundaries had created problems inherent to the management of paper volume and paper flow across disparate business areas.

IHC Health Plans knew that if they could eliminate paper and integrate workflow among their business areas, they could deliver higher quality customer service with increased efficiency to better serve their rapidly growing membership.

In addition, IHC Health Plans' management recognized that their capacity to improve customer service would depend on their ability to instantly file, track, and receive information.

Increased customer satisfaction was the highest priority as IHC Health Plans investigated workflow vendors. The company wanted a system to improve its already high service levels and set even higher performance goals: to process claims within 15 days of submission, answer phone calls within 20 seconds, achieve 98% accuracy on claims processing, and achieve three-day turnaround on member enrollment.

IHC Health Plans also required that their workflow solution help reduce the need to hire and train new employees in order to accommodate significant annual membership growth.

The new workflow system had to integrate with their existing technology infrastructure, accommodate rapid growth through system flexibility and capacity, and enhance their employees' quality of work life.

Based on these requirements, IHC Health Plans chose AWD. One month after the initial rollout, the claims processing department began a three-phase installation process to handle the average volume of 350,000 claims each month.

Workflow at Work

AWD workflow at IHC Health Plans begins with imaging an overlay for an electronic claim, scanning a claim for hard copy receipts, or scanning an enrollment form. Once work is scanned and imaged, it is stored in AWD's central information repository, making it instantly accessible to any authorized person within the health system.

Claims processors can launch the image from workflow to conduct the claims analysis, adjudicate the claim, and route it through the auditing process. IHC Health Plans also uses AWD to monitor and measure quality and productivity of their claims processing. Claims that require quality review are tracked and routed automatically.

IHC Health Plans' teams of health benefit specialists handle customer service inquiries, claims processing, and claims payment. AWD's automated workflow has helped to erase the boundaries that had existed between eligibility coordinators and claims analysts, and the boundaries between customer service representatives and payer services.

Application Interface

In April 2001, IHC Health Plans made the decision to migrate to a new managed care administrative system. In September 2002, the first line of business went live on the system. The phased implementation process will require IHC Health Plans to support and effectively manage two claims systems until the final product line has been migrated onto the new system. AWD is helping to facilitate the workflow integration between the two systems.

Tangible Results

IHC Health Plans' ability to improve customer service, reduce overtime, and achieve a more productive and efficient working environment while accommodating membership growth, is a testament to the implementation and "best practices" of workflow technology.

IHC Health Plans routinely meets performance goals of processing 80% of claims within 15 days. They respond to 75,500 phone calls each month—answering 90% of those calls within 20 seconds.

Claims payment has improved to 98% accuracy, while new member enrollment and enrollment renewal is down to an average of a two-day turnaround.

IHC's willingness to apply workflow technology and set high performance goals is another example of its continued endeavor to improve business practices. In addition to their awards for "Top Integrated Health System" and "Healthcare's Most Wired," their success with workflow is evident in one of the most meaningful accolades: customer survey results indicate that 90% of IHC Health Plans members rate their overall satisfaction as "good," "very good," or "excellent."

Of course, a little recognition never hurt. ■

IHC Health Plans, a division of Salt Lake City-based Intermountain Health Care, is a nonprofit organization serving the medical and healthcare needs of Utah and Idaho. Unlike other healthcare organizations, IHC Health Plans combines the financial, administrative, and delivery aspects of healthcare into one integrated network and administers managed care plans for approximately 470,000 members. For more information on the health system, visit their Web site at www.ihc.com.