

# AWD<sup>®</sup> Case Study

## 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 high in several 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 factors such as 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 successfully 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<sup>®</sup>) workflow technology in the traditionally paper-intensive operations of health insurance and managed care. AWD is a product of DST Technologies, Inc., a wholly owned subsidiary of DST Systems, Inc.,

AWD workflow, integrated with their other internal applications systems, has helped IHC Health Plans 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 organized 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 and effectiveness 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. The manual system of claims processing often necessitated mandatory overtime – which increased costs and the time it took to resolve customer inquiries.

Increased customer satisfaction was the highest priority as IHC Health Plans investigated workflow vendors to go paperless. The company wanted a system to improve its already high service levels and



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set even higher performance goals for automated workflow: to process claims within 15 days of submission, answer phone calls within 20 seconds, achieve 98 percent accuracy on claims processing, and achieve three-day turnaround on member enrollment.

IHC Health Plans also required that their workflow solution reduce the need to hire and train new employees in order to accommodate significant annual membership growth. Management wanted to keep productivity up and administrative costs, such as training, down.

In addition, IHC Health Plans wanted a workflow system 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. IHC Health Plans moved to roll out AWD quickly to handle a huge re-enrollment volume before a new plan year began. 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 hardcopy 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 who needs to work with the document.

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.

Eight months into their AWD installation, IHC Health Plans management decided to re-engineer their business areas. They created teams of health benefits specialists organized around employer groups, rather than a single function or product type.

According to IHC Health Plans, AWD, with its easily accessible image files and integrated workflow, was the foundation for this change and allowed for the effective communication among team members.

Today, 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 on to 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 undergoing a massive expansion of its membership base, is a testament to the implementation and "best practices" of workflow technology.

Today, IHC Health Plans routinely meets performance goals of processing 80 percent of claims within 15 days, with an average volume of 350,000 claims per month. In addition, they respond to 75,500 phone calls each month – answering 90 percent of those calls within 20 seconds.

Claims payment has improved to 98 percent 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 satisfaction results indicate that 90 percent of IHC Health Plans members rate their overall satisfaction as "good," "very good," or "excellent."

Of course, a little recognition never hurt.