

IMPROVING AUTO-ADJUDICATION RATES

DRIVING CLAIMS ACCURACY AND EFFICIENCY OF LEGACY SYSTEMS

"We lifted our first pass rate 3.4 points Year One despite processing 50% more claims volume from growing our business. We can't hit our auto-adjudication goals without Pega!"

Vice President Technology Services
Multi-state Medicaid and Medicare Insurer

HEALTHCARE

BUSINESS GOALS

- Improve automation and accuracy of claims processing
- Deploy strategic solution to address inflexibility of legacy claims adjudication system
- Increase scalability of claims processing

RESULTS

**16 POINT
FIRST-PASS**
improvement rate

**INCREASED
PROCESSING**
scalability by 50%

66% REDUCTION
in duplicate claims

100% REDUCTION
in 'pending' claims

VISION Automated Claims Throughput Needed to Reduce Costs and Risk

This high growth Medicaid and Medicare Insurer serving nearly 3 million members across thirteen States found low auto-adjudication rates and high manual processing costs unsustainable and a barrier to effective growth. It sought new solutions to improve claims auto-adjudication rates and processing efficiency without the complexity, time or cost of a full replacement of its core administration system. Financial drivers of the initiative included a savings of over five claims analysts for every 1% lift in auto-adjudication and the potential for a \$240,000 per year annual savings on interest payments through improved adjudication accuracy and timeliness.

EXECUTION Speed to Enhancements with Agile Technology

Already leveraging Pega in its contact center for improved customer service and higher member satisfaction, the Medicaid and Medicare Insurer, selected Pega Claims Repair to deliver new claims processing efficiencies. The Insurer leveraged Pega's easy integration to wrap its core administration system and released claim edits with increasing speed, delivering its fifth repair category in less than one month. Ultimately, more than a dozen edits were deployed including Duplicates, modifiers (TOS and provider data review), Medicare Non-Covered Service, Timely Filing (days rules and retro eligibility logic), PCP Lock-in, NCCI Edit Exceptions, ER Non-emergent Pricing, Spend-down, DRG pricing for Neonates, Patient Liability, Newborn Claims Authorization Under Mother and Auto Deny for no Authorization.

OUTCOME Cost Savings and Improved Processing, Visibility, Accuracy and Control

By leveraging Pega, the Insurer has achieved 16 points improvement in its claims auto-adjudication rates over two years resulting in annual savings equivalent to the cost of 90 claims examiners. "Business rules enabled us to decrease 80 percent of duplicate pends" says the Vice President of Technology. Plus, Claims Repair has also nearly eliminated the Insurer's pends for No Authorizations and also provided new processing visibility, accuracy and control so the Insurer can avoid financial penalties. The Insurer plans on-going tuning and edits to yield further improvements.



This highly regulated Medicaid and Medicare Insurer serves nearly 3 million members across 13 states.

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