Healthcare Automation Helps Health Plan Meet Medicaid Standards, Reduce Cycle Time, and Cut Costs

Community Health Choice leverages HPA's intelligent automation solutions to increase efficiencies and cut overall costs.

Community Health Choice is a local not-for-profit managed care organization (MCO) in Texas. Founded in 1997, the health plan began by offering Medicaid (STAR) coverage to low-income children and Children's Health Insurance Programs (CHIP). Currently, it offers low-to-no-cost health insurance plans to more than 400,000 members. It also offers individual marketplace health insurance plans and Medicare D-SNP healthcare maintenance organization (HMO) plans. Community Health Choice aims to improve the health and well-being of underserved Texas citizens by providing accessible and affordable health insurance. Its network includes more than 3,600 primary care providers, 7,800 specialists, and 99 hospitals.

An Automation Solution for Unmanageable Volume

The Texas Prompt Payment of Claims Act requires insurance companies to pay interest, in addition to the amount of the insurance claim, when an insurance company delays payment of a claim longer than the statute's-imposed deadlines for claim decisions. Sometimes, the deadline can be as short as 30 days, which drastically increases potential penalties with such a tight turnaround time. If an insurer delays longer than the deadline, they can be liable for interest ranging from 10% to 18%.

Community Health Choice is a local not-for-profit managed care organization in Texas that offers low-to-no-cost health insurance plans to more than 400,000 members.

Outcomes

- $4.15 million in labor savings
- 69% cost savings
- Saved more than 166,000 FTE hours
- FTEs were freed up to respond to customer service requests and high-value projects
- Continued expansion with four additional solutions in the works

Challenge

Community Health Choice first engaged with HPA in 2016. The health plan was burdened with complex, high-volume claim processes, and examiners struggled to keep up with the growing inventory and processing deadlines. Community Health Choice wanted to ensure that all requirements mandated by Texas Medicaid were met, and it also needed the bandwidth to continue growing to serve more members. The health plan searched for an automation solution to reduce labor costs, boost staffing flexibility, reduce cycle time, and prevent backlogs. The health plan's System Applications Director, Lucretia Butler, had prior experience working with HPA. In her new role with Community Health Choice, she wanted to see the same benefits as she realized with her previous employer.

Solution

Community Health Choice worked with HPA's automation team to develop a solution to help manage its claims inventory, process required claims on time, and free up staff for more research-heavy and customer-focused tasks. The health plan's first robot went live in 2016, and it currently has ten active robots working through the TriZetto® QNXT™ core administration system.

• **Prior Authorization/Referral Matching/Edit 205:** QNXT generates an edit when a claim is received for a service that requires prior authorization, but it wasn't issued or automatically applied through QNXT. When done manually, employees checked the claim for specific data points – providers, dates, and services. With an average monthly volume of roughly 10,000, this process created a significant strain on processors, putting the health plan at risk for a costly backlog. Without automation, the health plan would have needed to pay overtime for manual processing or borrow from other departments to get the claims

processed on time. However, HPA's robots can quickly search QNXT for an authorization that matches the claim data. This process was time-consuming for examiners, with an average handling time of 6 minutes per claim. HPA's automation allowed the health plan to save more than 1,080 FTE hours and roughly 9 FTEs monthly. This translates to a cost savings of 74% and $1.34 million saved since 2016.

• **Provider Matching/Edit 101:** Providers must be referenced on all claims, but sometimes electronic data interchange (EDI) and QNXT don't align automatically. Therefore, QNXT cannot systematically select providers based on incoming claim data. When a provider is missing from a claim, it will pend in QNXT until a record is created and/or attached. This interruption in the claim cycle puts health plans at risk of significant backlog, and time-consuming manual intervention would be required. HPA's robots research and reconcile claims with missing provider information within QNXT. The robot will find a provider match in the QNXT system and attach it to the claim. If no provider match is found in the QNXT system, the robot can then pend the claim to the appropriate queue for further investigation. This is another very high-volume process with an average monthly volume of more than 9,200, putting the health plan at risk for a backlog. With automation, Community Health Choice has saved more than 480 FTE hours per month and $643,595 since 2016, an overall 64% cost savings.

• **Call Tracking:** Health plans typically log calls to and from members for health plan-related changes or performance and accuracy tracking questions. For instance, Community Health Choice keeps call logs when members need to change their primary care physician. Essentially, the robot monitors the QNXT database for specific verbiage; the robot opens the record, grabs the new provider information, and logs the call in QNXT, noting the call and the PCP change. Automating this process helped prevent employees from duplicating work by re-entering comments in QNXT. With an average monthly volume of nearly 7,100 calls, automating this process has saved the health plan more than $191,000 in operational costs since 2016, the equivalent of roughly 2 FTEs per month.

• **Duplicate Claim Process/Edit 532/533:** QNXT will recognize when multiple claims are submitted with similar data, such as provider, date of service, or services rendered. When this occurs, an examiner must validate whether or not the claim is indeed a duplicate. When this process is done manually, an examiner must review all the claims in a member's history to determine if there are duplicates. This process is time-consuming and tedious for employees, with an average monthly volume of more than 8,700. There is a significant risk for human error since there can be complex exceptions when considering duplicate claims. This likelihood of error put Community Health Choice at risk for low accuracy ratings, a metric that could lead to a financial penalty and jeopardize their Medicaid line of business eligibility. With HPA's automation, robots can quickly and thoroughly check data points to compare the claims. Automating this process saved the health plan 672 FTE hours per month and a total labor savings of more than $815,000 since 2016.

• **Timely Filing/Edit 311:** Each payer has timely filing requirements that vary by state, product, and contract. Every incoming claim is reviewed for timely filing and will be denied or reimbursed according to payer-specific rules. Without automation, examiners must manually review each claim, costing the health plan hundreds of additional FTE hours. Processing each claim took examiners more than 3 minutes per claim, so with an average monthly volume of nearly 5,000, this was a significant resource drain for the health plan. Since implementing HPA's automation, Community Health Choice has saved 312 FTE hours per month and more than $287,000 in labor costs since 2016. This is the equivalent of roughly 2.6 FTEs saved per month.

• **Penalties and Interest Robot:** The Texas Prompt Pay Act requires insurance companies, including healthcare insurers, to pay or deny a claim within 30 days electronically or 45 days non-electronically. If claims are paid late or underpaid, penalties and interest accrue. Since early 2020, many healthcare insurers have been overwhelmed with priority changes due to COVID-19, which created a large backlog of claims. HPA stepped in and processed all 14,000 backlogged claims in just two weeks, saving the health plan 3,267 FTE hours and forestalling significant potential penalties.

• **JIVA Authorization Updates:** In early 2020, many elective procedures were limited due to COVID-19, which created a backlog. Authorization ends dates were extended due to COVID and its stress on the healthcare providers and healthcare system. Community Health Choice teamed with HPA to create a robot specific to the web-based platform, JIVA, to update their 8,000 backlogged authorizations and trigger a letter to be sent to members.

Outcome

Community Health Choice has realized $4.15 million in labor savings since it began working with HPA in 2016, with an overall 69% cost savings from automated processes. The health plan has also saved more than 166,000 employee hours, freeing employees to respond to customer service requests and higher-value projects. HPA's automation solution helped Community Health Choice reduce the number of re-worked claims and penalties and reduce the turnaround times for claims payments made to providers, ultimately keeping Community Health Choice in good standing with Medicaid. Additionally, the health plan improved its staffing flexibility and reduced overtime for employees. Community Health Choice has also achieved its goal of meeting strict Texas Medicaid and CMS requirements and avoiding financial penalties.

Due to the excellent results the health plan has experienced with HPA's automation solution, Community Health Choice plans to continue the expansion of its intelligent automation initiatives. Four new robots are in the works for 2021, including three specific to claims.

"Since we started working with them in 2016, the team at HPA has helped us to invest in process automation solutions that really deliver results - from prior authorizations to processing claims on a mandated deadline, we've been able to lower our labor costs and avoid unexpected backlogs from COVID-19."

> Lucretia Butler, Director IS Systems Applications, Community Health Choice

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HPA is the leading RPA-as-a-Service provider for organizations seeking secure, reliable intelligent automation solutions. As a proven automation Center of Excellence, we utilize our proprietary technology and extensive reusable code library to deliver scalable RPA programs that accelerate ROI and reduce total cost of ownership.. For more information, please visit hpa.services.

About Community Health Choice

Community Health Choice is a local, nonprofit, managed care organization committed to helping improve the health and well-being for Texas residents. Launched in 1997 by Harris Health System, our region's public academic healthcare system, we began by offering STAR Medicaid coverage to low-income children. Today, we proudly offer a complete array of affordable and no-cost health insurance plans, along with one of the largest provider networks in southeast Texas.

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