



Customer Success Story

Legacy Modernization and Decision Management

AT A GLANCE

CUSTOMER: WPS

INDUSTRY: INSURANCE

LOCATION: MADISON, WI

CUSTOMER SINCE: 2009

About the customer

Wisconsin Physicians Service is a leading insurance company that delivers claims processing services under various U.S. Government contracts. Since 1956 WPS has provided comprehensive claims administration functions including claims processing, system design and customer service for the Defense Military Health System TRICARE Program. WPS processes more than one million TRICARE claims per week for beneficiaries worldwide.

Challenge

The TRICARE legacy system relies on a wide-ranging set of modules to process over 2 million transactions per day. Each module is responsible for various tasks in the process, including business strategy, customer service, automated decisioning and workflow. Each week approximately 1.2 million claims are validated prior to payment, and each module collaboratively ensures claims are paid timely and without error.

Prior to engaging TechBlue, claim payment errors, including overpayment, underpayment and denials in error, were caused by a high degree of human evaluation of claim characteristics. Claim payment errors result in financial penalties levied by the Federal Government, a weakened strategic position as a leading TRICARE steward, monetary recoupment risk, and elongated error recovery process resulting in lost time, resources and money.

Core technologies in use throughout the WPS modernization project: FICO Blaze Advisor, COBOL, IBM z/OS and Unix System Services.

TRICARE is the health care program for more than 9.6 million beneficiaries worldwide – including military personnel, retirees and their dependents

With new contracts anticipated that would increase the volume, velocity and variety of claims moving through the TRICARE system, WPS sought contractor assistance to deliver system enhancements to eliminate their top seventy-five claims processing errors.

Our role

After 14 months of full and open competition, TechBlue was selected as the prime contractor to lead the strategic and tactical modernization of TRICARE legacy application components. Our core objective was to deliver enhanced capabilities that improved key measures of claims processing performance: refunds from providers after overpayment, required additional payments and / or payment reissues, number of reprocessed claims, TRICARE Management Activity performance audits, claims processed without stopping, and outlier reporting on the ability to process claims correctly.

The TechBlue Business Value Analysis lays groundwork for effective transformation, and accelerates the path to future operating state.

TechBlue consultants applied our Business Value Analysis methodology to facilitate the modernization initiative. The methodology was adapted to function within the WPS CMMI approach, ensuring compliance with all delivery phases. First, TechBlue performed a comprehensive analysis of current and future operating states, capturing objectives based on the S.M.A.R.T. classification approach (Specific, Measureable, Attainable, Relevant and Timely). The review included both strategic and tactical applications of technologies within claims processing. Second, TechBlue identified short and long term transformation opportunities to increase the use and return on existing information technology investments. Each opportunity was captured to include level of effort, benefit and expected return. Third, TechBlue created a comprehensive modernization plan to guide phased enhancements to the WPS systems, each with measurable characteristics that allowed for gradual validation of milestones and delivered value.

The TechBlue Blaze Advisor Repository Framework is a disciplined, standards-based architecture structure supporting intuitive maintenance, extension and scalability. The Framework has been implemented for the IRS, Department of Defense and Amerigroup.

Two WPS technology assets were targeted as high-value transformation opportunities. First, WPS desired to leverage business rules to improve claims processing, and had made significant investments in rule engine capabilities more than four years prior to TechBlue engagement. The business rules implementation had stagnated, and resulted in minimal return on investment, and increased necessity to continue relying on legacy system components to respond to dynamic changes to claims processing performance requirements.

The existing business rules implementation was redesigned to meet several key operating objectives: deployment flexibility, business user maintenance, and platform capability to support future and expanded requirements. TechBlue deployed a customized implementation of our Blaze Advisor Repository Framework as the core capability. The Framework accelerated the business rule creation process, and facilitated effective governance by delivering a comprehensive testing harness, reporting and deployment capabilities. In addition, our consultants refined WPS business rules best practices for authoring, maintaining and deploying advanced decision services throughout the WPS technical infrastructure.

Second, with the core Framework in place, TechBlue consultants identified high-value, high-change decisions within the COBOL application code. The decisioning logic was cataloged, analyzed and re-expressed based on business rule standards and WPS decisioning requirements. Each rule was authored and tested before being deployed as reusable decision services.

Finally, TechBlue consultants refactored the core legacy COBOL application to leverage the business rule decision services. Where necessary, new copybook creations facilitated transportation of new decisioning elements to and from the decision services.

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Be Faster.

Be Better.

Be Next.

Results

Modernizing TRICARE claims processing systems was a core strategic initiative for WPS. Not only would modernized capabilities enable more efficient and effective claims processing; it would increase their competitive advantage as a TRICARE administrator by establishing operating capabilities unmatched within the industry, and establishing a foundation for continual improvement of claims-related decisioning.

TechBlue has continued to support WPS on over 4 task orders. Most recently our consultants teamed with WPS to modernize beneficiary and provider self-service portals, to provide enhanced, two-way communication of claim processing, payment and status information.

TechBlue delivered several core capabilities for WPS, none perhaps more important than a decisioning platform that scales to meet the evolving TRICARE performance requirements.

Through the engagement of TechBlue, WPS is able to:

- Correctly, efficiently and effectively stop the top 75 claim processing errors
- Maximize return on legacy investments by augmenting COBOL systems with a modern automated decisioning platform
- Automatically fix 20 of the top claim processing errors without human intervention
- Independently extend and manage the business rules solution to continually improve claims processing operational performance
- Implement comprehensive reporting capabilities to monitor business rule status and effectiveness on over 25 performance characteristics
- Leverage TechBlue strategic and tactical recommendations to increase level of decisioning adoption
- Leverage a solid decisioning platform that enables future advanced capabilities including analytics and optimization

Think it's time to learn more about what we can do for your company? Contact us.

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Our approach to services is based on knowledge gained from performing in consultative roles for over 30 years, and the smarter, faster, better concept is a direct result of our successes. Our knowledge, coupled with a service-oriented approach based on teamwork, collaboration and consultation, provides our clients with trusted advisors that work toward meeting objectives.

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