

Large Insurer Accommodates Growth with New System

This large regional Blue Cross organization had recently expanded its business to include HMO plans and capitated provider networks. Outlook Associates was hired to assess current systems to determine if they could be adapted to meet the growing needs of the organization. Based on the results of our initial assessment, the client's executive team determined that their systems, which had been custom developed in the 1970's, were inadequate and a new system would need to be implemented. Outlook Associates guided the client through the entire process of selecting the new system. This process included educating all internal stakeholders about the unique systems requirements for managed care, which formed a framework for reaching consensus. Along the way, we provided recommendations for operational changes that would support the client's increasing managed care business. Outlook Associates also assisted the client with implementation planning and negotiation of the vendor contract. Outlook Associates brought structure, experience and discipline to the management of the project, enabling the client to meet its timeline.

Services

- ❑ Systems assessment and diagnosis
- ❑ Requirements documentation
- ❑ Executive and staff training
- ❑ Project management
- ❑ Process improvement
- ❑ System implementation planning
- ❑ Vendor negotiation

Results

- ❑ System evaluation, selection and implementation based on sound, expert advice
- ❑ Increased efficiency in overall managed care operations as a result of system selection and related process improvements
- ❑ Consensus among all stakeholders based on shared knowledge
- ❑ Successful negotiation of vendor contract
- ❑ Structured, disciplined approach, enabling client to satisfy an aggressive timeline

Situation

This 300,000 member Blue Cross insurance carrier, with over 50 years experience in indemnity insurance and 12 years in various discounted managed care products, served a region that included several Western states. As the company added HMO products and began to share risk with its provider networks through capitation arrangements, it became evident that the capabilities of its information systems needed to be expanded. Originally custom-designed for the client's indemnity business, the systems were going to have to be modified to cover all the data and reporting needs of managed care, or else they would have to be replaced. The client needed education about what was required in order to make the "modify vs. buy vs. build" decision. Eventually, this client wanted to migrate all the health plan's products, including both managed care and indemnity plans, to this one system. So, a wide range of requirements had to be considered. However, because of compelling business needs to get the system chosen and installed quickly, the timeline for the project was very tight.

Solution

Outlook Associates began this project with a thorough assessment of both the existing systems and the client's operational structure. This two-pronged approach ensured that the decision about the system did not happen in a vacuum. A report was presented to management defining the limitations of the existing systems and recommending that a new system be purchased. Further recommendations also were made regarding operational improvements needed to support the managed care products. These coordinated recommendations were critical to the overall success of the project. After a decision was reached to buy rather than build a new system, Outlook Associates assisted in a structured evaluation of available vendor solutions, based on a comprehensive set of requirements developed with the staff. Once the system was selected, Outlook Associates helped to craft the implementation plan and played a key role in negotiating the contract with the system vendor.

Outlook Associates delivers cost effective solutions

...solutions that work in the real world!