



Case Study: RPA-as-a-Service for Healthcare

CareOregon Implements HPA's RPA-as-a-Service to Reduce Manual Intervention in Claims Processing

Founded in 1994, CareOregon is a nonprofit organization providing health insurance services to more than 375,000 low-income individuals in Oregon. CareOregon is a managed care company with a broad goal: to make world-class healthcare available to all Oregon residents, regardless of income. The plan has built a healthcare delivery system that assures member access to physicians and healthcare professionals who understand special needs and provide quality care. True to their mission, it also supports local programs that offer housing, food, and job training to all Oregonians.

As a Safety Net Health Plan, it operates as a 501(c)(3) that derives nearly all of its revenue from public programs like Medicaid (the Oregon Health Plan), Medicare and the State Children's Insurance Program. CareOregon currently manages health plan services of three coordinated care organizations (CCOs) in Oregon, and operates a Medicare Advantage plan and a dental care organization. Its health plan services received a 3.5 STAR rating from CMS in 2019, and its drug plan services received 4 stars.

At a glance

HPA, A Cognizant Company, is the leading RPA-as-a-Service (Robotic Process Automation) provider for health plans seeking secure, reliable intelligent automation solutions. Together, the CareOregon and HPA teams developed a world-class automation program to help reduce the necessity for human intervention in claims management.

Outcomes

- \$1.6 Million in total cost savings.
- 65,000 manual hours offset by automation, the equivalent of 23 full-time examiners.
- 100% reduction in claims backlog.

Applying Automation in Claims Management

Reducing administrative cost is a top concern for health plans. Human intervention can expose claims to human error and lengthen the claims lifecycle, both of which contribute to an increase in overhead cost. Lengthy cycle times are also a key contributor to claims backlog. CareOregon was experiencing similar struggles when they reached out to HPA in 2015 to begin automating claims processes. The plan currently has five automated processes in production with HPA and administers claims on the QNXT Enterprise Core Administration System by TriZetto. HPA is fully-interlocked with TriZetto on product upgrades, hosting needs, and enhancing overall quality of service delivery to clients.

- Coordination of Benefits (COB) claims were selected as the initial target for automation at the beginning of CareOregon's engagement with HPA.** COB allows health plans to determine who is responsible for the payment when a member is covered by two different plans. A member's benefits and reimbursement rate should not exceed 100 percent of allowed medical expenses, and examiners must ensure there are no duplicates in the system. COB claims are also paid or denied based on the Medicare plan, benefit plan, type of claim, and location of services rendered.

When manually processed by examiners, each COB took an average of 3 minutes. With an average monthly volume of around 5,600 COBs, CareOregon would have to spend more than \$130,000 in overhead annually just to process this one claim type.

Since the automated process went live in November of 2016, the plan has saved over \$300,000, as well as 3,700 manual hours annually, the equivalent of 3 full-time employees. Additionally, when CareOregon experienced a spike in volume due to increased Non-Emergency Medical Transportation submissions, HPA's robots seamlessly scaled to the new volume, allowing the client to avoid backlog and overtime.

- CMS (Centers for Medicare and Medicaid Services) established the Electronic Data Interchange (EDI) to allow providers, payers, and clearinghouses to submit transactions electronically.** The information that is shared to and from the EDI is limited to meet security and privacy requirements as required by CMS and the Healthcare Information Portability and Accountability Act (HIPAA).

On the payer side, examiners evaluate claims for errors and either deny them or remit them to the provider for correction and resubmission. Claims that initially pass a contractor's assessment are also evaluated by examiners for compliance with coverage and payment policy. This time-consuming process had an average manual handling time of 15 minutes and required 9 full-time examiners, an overhead cost of roughly \$600,000 annually. This lengthy handling time also increased the plan's backlog by 47%.

HPA's robots were trained on the parameters to verify for each claim and either deny the claim or remit to the provider for correction. Offsetting this painful process to robots improved CareOregon's daily operations and has prevented backlog. Since the automated process went into production in June of 2019, CareOregon has saved over 14,000 manual hours and achieved more than \$450,000 in cost savings.

- In QNXT, when a claim is submitted with services that require authorization, but the authorization isn't automatically applied, examiners must review the claim for certain data points, like provider and date(s) of service, then search for an authorization that matches the data.** When a match is not found, the claim is either denied or proceeds for additional review. At a monthly volume of roughly 15,000 transactions and an average handling time of 5 minutes, these claim edits required 10 dedicated examiners, an annual overhead cost of roughly \$700,000.

(Continued next page)

HPA's robots can easily search QNXT for the necessary data points and match them with the appropriate authorizations. In less than 3 years, CareOregon has saved over 36,000 manual hours and more than \$850,000 by automating this process.

- **CMS established a classification system for inpatient discharges, referred to as Diagnosis Related Groups, or DRGs.** CMS reimburses providers on a weighted scale specific to each DRG, and these classifications are reviewed and adjusted annually, at minimum. The diagnosis and procedure information for each DRG is reported by the provider using codes from the International Classification of Diseases, Tenth Revision, Clinical Modification (ICD-10-CM) and the International Classification of Diseases, Tenth Revision, Procedure Coding System (ICD-10-PCS).

CareOregon uses Micro-Dyn PRICERActive™ software that is fully integrated with QNXT, to duplicate the CMS Inpatient Prospective Payment System (IPPS) calculation. HPA's robots reference the pricing information and match it with the appropriate DRG on the claim, ensuring that claims are reimbursed with complete accuracy.

With HPA's automation services, CareOregon has achieved more than \$1.6 million in cost savings and offset over 65,000 manual hours, the equivalent of 23 full-time examiners, since their first automated process went live in November 2016.

Looking Ahead

Today, CareOregon has three additional processes that went live in the second quarter of 2020 to automate QNXT authorization updates, process refunds, and expedite timely filing.

Two additional processes are currently in development; the first to assist with medical necessity research and correspondence between providers and payers, and the second to evaluate and update pre-existing authorizations to ensure timely and accurate discharge.



“Controlling costs, improving operational efficiencies, and reducing waste in the health care system is better for everyone, and a top priority for CareOregon.

Our partnership with HPA enables us to apply more resources and focus towards fulfilling our mission to promote equitable healthcare for individuals and our communities.”

**> Amy Dowd, Chief Operating Officer,
CareOregon**

About Cognizant Healthcare

Cognizant's Healthcare Business Unit works with healthcare organizations to provide collaborative, innovative solutions that address the industry's most pressing IT and business challenges—from rethinking new business models, to optimizing operations and enabling technology innovation. A global leader in healthcare, our industry-specific services and solutions support leading payers, providers and pharmacy benefit managers worldwide. Visit us at <https://cognizant.com/trizetto>.

HPA, A Cognizant Company

HPA is the leading RPA-as-a-Service provider for health plans 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 CareOregon

CareOregon is a nonprofit community benefits company involved in health plan services, reforms and innovations since 1994. We currently serve more than 375,000 Oregon Health Plan/Medicaid and Medicare members. By listening to our members and exploring innovative solutions with our providers and communities, we help Oregonians prevent illness and live better lives. Every day, we strengthen our communities by making health care work for everyone.

About Cognizant

Cognizant (Nasdaq-100: CTSH) is one of the world's leading professional services companies, transforming clients' business, operating and technology models for the digital era. Our unique industry-based, consultative approach helps clients envision, build and run more innovative and efficient businesses. Headquartered in the U.S., Cognizant is ranked 193 on the Fortune 500 and is consistently listed among the most admired companies in the world. Learn how Cognizant helps clients lead with digital at www.cognizant.com or follow us [@Cognizant](https://twitter.com/Cognizant).



World Headquarters

500 Frank W. Burr Blvd.
Teaneck, NJ 07666 USA
Phone: +1 201 801 0233
Fax: +1 201 801 0243
Toll Free: +1 888 937 3277

European Headquarters

1 Kingdom Street
Paddington Central
London W2 6BD England
Phone: +44 (0) 20 7297 7600
Fax: +44 (0) 20 7121 0102

India Operations Headquarters

#5/535 Old Mahabalipuram Road
Okkiyam Pettai, Thoraipakkam
Chennai, 600 096 India
Phone: +91 (0) 44 4209 6000
Fax: +91 (0) 44 4209 6060

APAC Headquarters

1 Changi Business Park Crescent,
Plaza 8@CBP # 07-04/05/06,
Tower A, Singapore 486025
Phone: + 65 6812 4051
Fax: + 65 6324 4051