Healthcare Payer Solutions

CONDUENT



A Decision Guide for Healthcare Payers

Assessing Your Core Administrative Processing System

For Today and Tomorrow

The pressure on healthcare payers to stay technologically current has never been greater.



Along with the rest of the healthcare industry, healthcare payers face unprecedented challenges brought about by the COVID-19 pandemic. The demands to engage and sustain the trust of members, providers and brokers; interact through multiple communication channels; operate more efficiently and productively; meet evolving regulatory and compliance requirements and continuously evolve product offerings are intensifying.

It's all made the technology ecosystem on which payers operate even more critical to overall performance, service quality, growth and future readiness in the digital world — and the increasingly competitive payer marketplace. Today, it's not only imperative for healthcare payers to keep up with the myriad of current technology demands. It's essential to strategically position technology for the future.

Simplifying and streamlining workflows, interoperability and the digital exchange of data and information have become essential to operational agility. The ease with which healthcare payers can achieve these things is also a substantial differentiator in the health insurance marketplace.



Future readiness starts with an honest look at where you are today.

Before asking whether your organization is ready for the future, the first step is to honestly evaluate how your operations and technology are holding up and handling the assortment of current competing operational needs and market demands.

COVID-19 has been an uninvited stress test on operations and systems around the world — especially in healthcare. It has shined a bright light on operational inadequacies and a lack of agility in systems across all industries.

For healthcare payers, the core administrative processing system (CAPS) is the nucleus of operations, customer experience interactions, billing, revenue realization and workflow management — the organization's foundational operations framework.

Many payers have been using their CAPS for decades. Such systems have "grown" over time with extensions and upgrades — often with band aids and patchwork as the regulatory environment and market demands have changed. Especially in the age of COVID-19, quickly evolving consumer and user needs and expectations, changing technology requirements along with regulatory and compliance demands are making ongoing workarounds and band aids unsustainable.

Today, organizations with their eyes wide open realize that to meet today's rapidly evolving business challenges and customer demands — and effectively compete in the healthcare payer market — a modern and flexible CAPS solution is a requirement.

When it comes to technology, payer organizations have grappled with an age-old dilemma: **change versus familiarity**.

Familiarity is known; change is mostly unknown and has greater perceived business and operational risk. There are numerous valid reasons some healthcare payers have chosen to stick with their current CAPS system and continue to build on it. But particularly in today's climate of rapid change, re-examining those reasons is a productive exercise.

Let's review the positives and challenges associated with possible paths forward:

1. Keep the CAPS you have and try to make it work.
2. Modernize the legacy system by wrapping it with new technology.
3. Invest in a new in-house CAPS to replace your older one.
4. Invest in a new system from a Software as a Service (SaaS) partner.
5. Partner with a healthcare solutions technology expert.

The path forward: weighing your options

Keep the CAPS you have and try to make it work. 1

Positives	Challenges
+ Familiarity	− Likelihood of falling behind competitors
+ Reduced short-term operational disruption	− Limited customer engagement (e.g. limited self-service, mobility)
	− Reduced go-to-market agility
	− New product launch hurdles
	− Lack of adaptability/responsiveness to changing requirements and regulations
	− High cost and time to implement functional enhancements
	− Limited real-time tracking and reporting capabilities
	− Costly integration with other systems or data sources for digital data exchange
	− High maintenance costs
	− Labor-intensive to leverage digital capabilities (cloud, analytics, mobility, etc.)
	− Difficult to comply with regulatory security and privacy requirements
	− Risk of insufficient vendor support or enhancement road map

Modernize the legacy system by wrapping it with new technology. 2

Positives	Challenges
+ Can foster incremental automation gains	− Provides little improvement to future readiness and operational competitiveness
+ May have lower short-term costs than full replacement	− High cost of ongoing systemic upgrades/ enhancements
+ Allows for continued recoupment of previous CAPS investments	− Does little to improve agility or reduce costs in conjunction with marketplace or regulatory changes
	− Limited ability to leverage digital capabilities (cloud, analytics, mobility, etc.)

Weighing your options (cont.)

Invest in a new in-house CAPS to replace your older one. 3

Positives	Challenges
⊕ Full system control	⊖ Significant implementation and ongoing maintenance costs
⊕ Access to current new technology	⊖ Substantial up-front capital expenditure
	⊖ Higher fixed costs irrespective of market expansion
	⊖ Continuous resource requirements and costs to enhance the system

Invest in a new system from a Software as a Service (SaaS) partner. 4

Positives	Challenges
⊕ Access to the latest technology and technically skilled expertise	⊖ Ensuring caliber of support behind the SaaS
⊕ Partner ensures ongoing compliance, updates and expansion-readiness	⊖ Ensuring the SaaS technology can integrate with other systems and operations
⊕ Freedom from system maintenance burdens	⊖ Ensuring high efficiency and productivity
⊕ Ability to deliver more personalized, immediate and intelligent engagement through mobile and self-service portals	⊖ Managing cost, data control and transparency
⊕ Variable technology costs controlled through per-member per-month (PMPM) pricing and more limited capital expenditures	

Weighing your options (cont.)

Partner with a healthcare solutions technology expert that can support you with *both* a high caliber system as well as strategic and support services.

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Positives

- Access to the latest technology, specialized expertise, technically skilled resource pool, deep industry experience, ongoing investments, economies of scale and maturity
- Partner ensures technology and processes have ongoing compliance and updates as well as agility for change and expansion
- Agility for adding new capabilities and piloting new products or markets
- Faster and lower cost market readiness
- Leverages synergies between IT and operations
- Builds and tests analytics
- Lowers total cost of ownership
- Single point of accountability and services driven by SLAs with full transparency
- Fully integrated payer solution footprint including the CAPS, portals, and supporting ancillary, pharmacy and care management applications as well as reporting suites.
- Ability to deliver more personalized, immediate and intelligent engagement through mobile and self-service portals
- Improved operational efficiency and productivity with flexible workflows, configurations and data integrity
- End-to-end cost control through:
  - PMPM pricing
  - Limited capital expenditures
  - Known cost of operations
  - Multi-year rates
  - Ability to amortize implementation costs into PMPM costs
- Transfer of risk related to data security, resource constraints, implementation delays, investments for future changes
- Enhanced operational competitiveness and client satisfaction
- Freedom to focus on core business strengths and objectives

Challenges

- Operational control and transparency (sometimes)
- Ensuring your partner has a depth of industry knowledge, digital capabilities, resources and experience

The road ahead

A CAPS conversion is a huge undertaking for any healthcare payer. It's not something companies do on a regular basis and it means being willing to embrace some disruption with an eye on the ultimate benefits that will be gained.

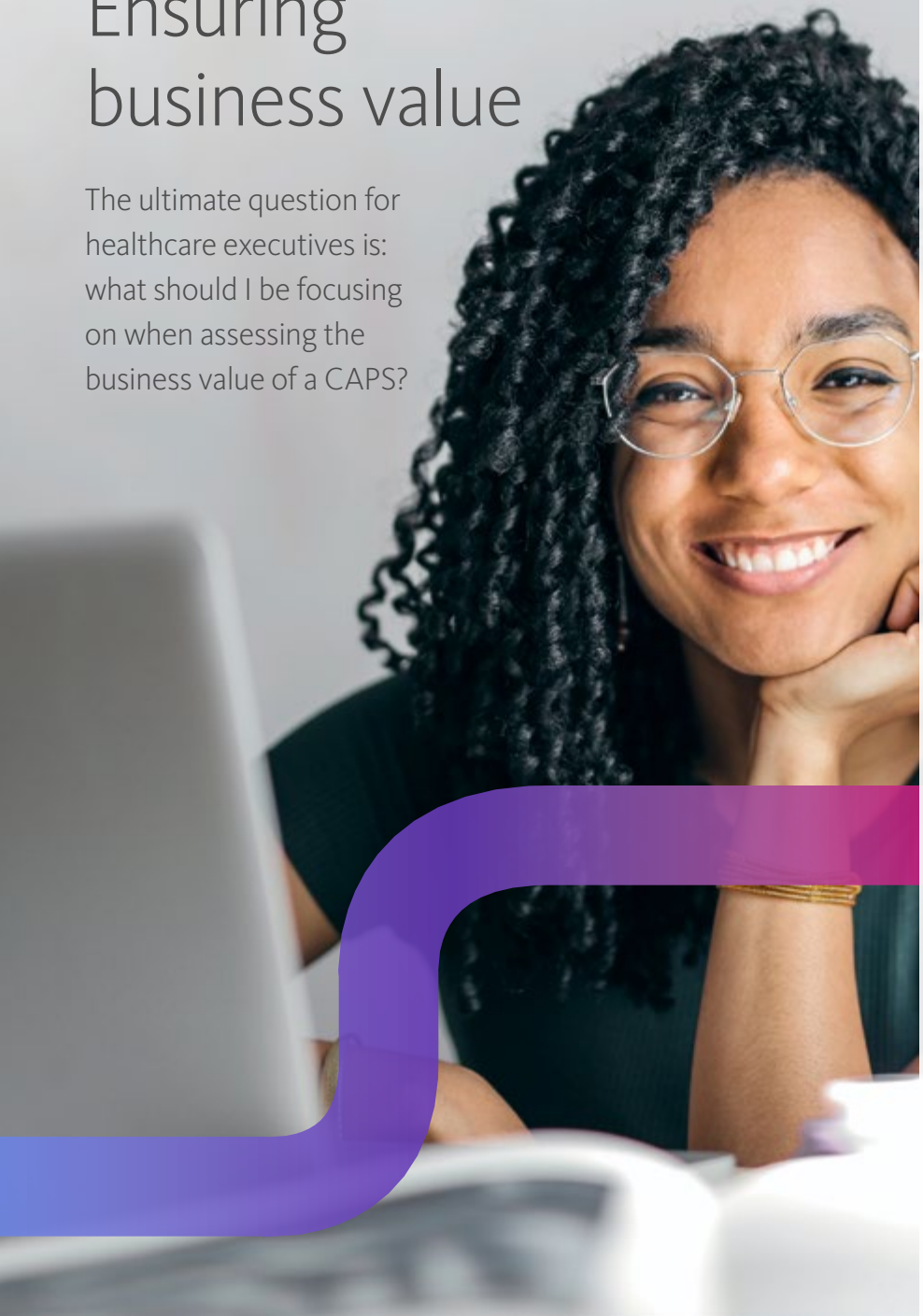


The job of replacing your CAPS is complicated enough, but it's also critical to manage and integrate all the other systems — and people — with which it interacts. From web portals to pharmacy integrations to provider systems, claims intake systems and much more, there are dependencies, risks, and a lot of transitions every step of the way. Our eBook, **5 Steps to CAPS Implementation Success** is an informative read on this.

The last option in the comparative analysis shown on the previous pages underscores the many advantages gained through a solutions partner who can deliver not only a future-ready platform but also the expert services to ensure that technology is fully leveraged. Healthcare payers that go this route can gain a competitive advantage by having a CAPS solution that will keep their operations consistently nimble and future-ready. Those who have a well-planned roadmap and the right technology partner can get there the fastest.

Ensuring business value

The ultimate question for healthcare executives is: what should I be focusing on when assessing the business value of a CAPS?



Here are four important strategic questions to ask:

1. Does the platform have more configuration agility versus other options, and what business value will that agility provide?
2. How does the solution lower costs? (Consider up-front capital expense as well as ongoing operational and maintenance expenses — and the impact on member, provider and broker self-service.)
3. From a regulatory perspective, is it less complex and costly to maintain?
4. Does the service provider offer flexibility and multiple options for how the solution can be delivered, maintained and evolved as the market and regulatory environment changes?
   - BPaaS/BPO: Vendor provides software and hosting as well as the team to operate and maintain the system.
   - Software as a Service: Vendor provides software, hosting and maintenance, but not the business operations personnel.
   - Turn-key: The healthcare payer installs and maintains the software; the vendor provides license for software upgrades.

When you have clarity on all the above questions, you are heading in the right direction with your CAPS.

All the disruptions caused by COVID-19 present an opportunity to truly learn and evolve from the insights gained during these challenging times and the need for operational agility. Organizations that seek to deeply understand and apply the lessons learned will be leading the way into a future powered by stronger and better systems that can seamlessly support all of their stakeholders.

Conduent Healthcare Solutions

On behalf of healthcare payer organizations, Conduent delivers mission-critical services and solutions that help its clients understand and engage members, ensure proper reimbursements, and optimize patient workflow — while realizing meaningful efficiencies and enhancing the member experience.

The Conduent HSP Payer Suite is built on a 20-year history of successful software implementations and is uniquely positioned to make health plan administration both intuitive and modern. As a partner to the entire healthcare ecosystem, Conduent enhances health experiences, optimizes the cost of care, and improves patient outcomes.

Working with us, healthcare payers are transforming their businesses and achieving modernization goals with solutions across all member touchpoints. Our expert teams have direct experience supporting and managing hundreds of implementations and delivering systems on time and within budget.

About Conduent

Through our dedicated associates, Conduent delivers mission-critical services and solutions on behalf of businesses and governments – creating exceptional outcomes for its clients and the millions of people who count on them. Through people, process and technology, Conduent solutions and services automate workflows, improve efficiencies, reduce costs and enable revenue growth. It's why most Fortune 100 companies and over 500 government entities depend on Conduent every day to manage their essential interactions and move their operations forward.

Conduent's differentiated services and solutions improve experiences for millions of people every day, including two-thirds of all **insured patients** in the U.S., 10 million employees who use its **HR Services**, and nearly nine million people who travel through **toll systems** daily. Conduent's solutions deliver exceptional outcomes for its clients including $17 billion in savings for medical bill review of workers compensation claims, up to 40% efficiency increase in HR operations, and up to 40% improvement in processing costs, while driving higher end-user satisfaction. Learn more at www.conduent.com.

Learn more at Conduent.com/healthcare-payer-solutions or call 1-844-ONE-CNDT to connect with an expert.

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