

## USE CASE

# Rocket® ConnectiQ Brings RPA to Insurance Claim Processing

Automating mainframe processes drives millions of dollars in savings.

## The medical claims process

Medical insurance payers are a key part of the healthcare value chain across the United States and beyond. Millions of transactions funnel through the back-end systems of health insurance companies every month to ensure that doctors and hospitals to get paid, patients get reimbursed, and companies get billed for premiums.

Those transactions happen largely on mainframe applications, built and refined over decades to address the business processes of that particular company. These applications are core to any provider's operations.

Insurers process hundreds of thousands, or even millions, of claims per year. The goal of the Vice President of Claims Operations is to maximize auto-adjudicated claims—those that require no human intervention and are managed exclusively by the software. Typically, insurance companies have auto-adjudication rates of about 75%, meaning 25% of claims require human intervention.

## The catalyzing factors

Manual claims often exit the automated system for trivial reasons, chief among them mismatches in provider data or pricing, relative to Medicare and Medicaid tables. Human intervention takes time, slowing down the claims process, and introducing more opportunity for new errors. Customer satisfaction and doctor/hospital satisfaction drop when claims take longer to be paid. And, in some instances, compliance regulations can be violated when a delay exceeds a set limit.

Even when it comes to straightforward claims operations, the cost of manual intervention on 1% of claims can be upwards of \$1M annually. For leaders in Claims Operations, maximizing auto-adjudication rates means faster, cheaper, more accurate, and more compliant claims processing. An improvement on the auto-adjudicated rate of only a few percentage points can dramatically lower costs for insurers.

The historical path to improved efficiency—with internal teams making iterative changes to the core mainframe applications—takes time and is not nearly nimble enough to capture the ongoing changes that occur in the claims process. Add to that the reality that complexity and pace tend to increase over time, especially as new legislation forces changes in the market. Internal resources quickly become overwhelmed trying to keep up.

## Claims adjudication at a typical provider

- ▶ Volume: 1,000,000 claims/year
- ▶ Auto-adjudication rate: 82%
- ▶ Manual claim volume: 180,000 claims/year





## The alternative: RPA for mainframe

For many health insurance companies, Robotic Process Automation, or RPA, is a rapid, flexible and extremely effective solution. While integrated into other parts of the infrastructure, standard RPA offerings are unable to work with mainframe-based applications to efficiently automate their functions. With Rocket ConnectiQ, health insurance companies can address the inefficient processes they were unable to automate before.

RPA technology is quite simple. An intelligent script—or robot—is written to engage directly with the mainframe application through its existing 3270 protocol routines and interfaces.

Mimicking the behavior of a human, the robot can execute a set of actions just as a human would, following the conditional logic used to remediate an exception in a claim.

For example, if a claim is suspended due to an error in the provider data, like “Ave” instead of “Avenue” in the address, the robot would:

- 1 Identify the HCPCS or CPT code for the suspension
- 2 Locate the provider within the insurance company's preferred provider directory
- 3 Assess whether the discrepancy fits a set of pre-defined “correctable” errors, or escalate more significant discrepancies that may require manual intervention
- 4 Fix the error
- 5 Re-submit the claim for processing

While there are many well-known RPA tools on the market today, none understand the mainframe well enough to properly connect. This limits the value of adding the RPA tool and can cause more problems. Businesses often find that the traditional RPA tool is slower than it typically is on a distributed platform, as well as a high robot-error rate from their “screen scraping” approach.

Most ConnectiQ users begin with these common, repeated errors, building the logic to automatically triage and address them with their initial sets of robots. After a short 1-2 week training period, most customers are comfortable writing and testing the robots themselves. After building fewer than a dozen, they often see auto-adjudication rates rise into the mid-90s. The solution pays for itself right away.

## The future of automation

For companies who have adopted Rocket ConnectiQ, the first robots are just the beginning. Some have established a cadence of meetings between Claims Processing and the business to help identify emerging categories of claims that could benefit from automation. There may be short-term issues that can be sidestepped rapidly with the right scripts, along with longer-term optimizations that can continue to improve on auto-adjudication rates, processing times, and customer satisfaction.

For all, the Rocket ConnectiQ solution has become a key operational tool in their claims processing environment, and one whose role will continue to grow over time. ConnectiQ customers confidently rely on Rocket Software for the mainframe expertise and personable engagement Rocket has been known for 30 years.

### Rocket ConnectiQ Outcomes

- ▶ Volume: 1,000,000 claims/year
- ▶ Auto-adjudication (AA) rate: 82% → 94%
- ▶ Drop in manual claims: 120,000 claims/year
- ▶ Cost savings: \$12M (\$1M per percentage increase in AA rate)