

# Optimizing PBM and EDI Processes for a Large Self Insurance Provider

## The Need for Automation in Self-Insurance

In today's healthcare landscape, self-insurance providers face immense pressure to manage claims efficiently while maintaining accuracy and compliance. Claims management is a critical function in healthcare, but it is often riddled with manual processes and fragmented systems, resulting in operational delays and costly errors. According to industry reports, nearly 25% of healthcare claims are rejected on the first submission, and processing a single claim can cost an organization between \$25 to \$100 when handled manually. The lack of automation and real-time monitoring tools often leads to claims bottlenecks, negatively impacting business performance and customer satisfaction.

## Client Overview

Our Client, a prominent self-insurance provider with operations in Tennessee and Wisconsin, specializes in managing healthcare claims, pharmacy benefits, and risk management solutions. They are dedicated to offering tailored, cost-effective services to employers while navigating the complexities of healthcare administration. However, like many in the industry, the company faced operational challenges due to manual processes and disjointed systems, impacting their efficiency and data accuracy. This led them to seek a solution to streamline their workflows and improve overall claims management and improve experience of their customers.

## Challenge:

Their existing workflows for Pharmacy Benefits Manager (PBM) and Electronic Data Interchange (EDI) processes were heavily reliant on manual interventions, leaving them vulnerable to errors, delays, and inefficiencies. There are substantial gaps in data management particularly in areas such as file storage, data validation, alerts and notifications and integration with claim adjustment system.

The organization worked with multiple standalone applications, and their workflow involved manual file handling, which added some complexity. The different data formats from various PBMs presented additional challenges. Without a system to easily track and log processed and failed claims, it was more difficult to gain real-time visibility into issues. This occasionally led to delayed resolutions, as some challenges were only discovered after escalations from PBM or EDI providers.

The claims adjudication system at the Tennessee and Wisconsin offices had its limitations, and the lack of standardized process documentation across locations worsened the inefficiencies. Although both offices used the same system, they followed different workflows. This resulted in slow claims processing, approvals, and increased risk of errors, leading to reduced data credibility, increased operation cost and customer dissatisfaction.

## Solution: KPi's Comprehensive Strategy for Operational Improvement

KPi collaborated closely with the insurance provider to develop a comprehensive strategy:

- **AS-IS Process Documentation:** We conducted a thorough analysis of the company's existing processes, documenting them in detail for both locations.
- **Gap Analysis:** Our team identified inefficiencies, particularly around manual interventions, inconsistent data formats, and the absence of a unified monitoring system.
- **Proposed Solution:** KPi designed a streamlined solution that addressed both the immediate operational challenges and provided a roadmap for future improvements. The solution involved:
  - Automation using Microsoft Power Automate and cloud services, which eliminated manual file handling.
  - Standardization of data formats, ensuring consistency across PBMs.
  - Implementing a real-time monitoring and alert system, enabling faster identification and resolution of errors.

### Technology Stack

The core technologies used to power the solution included:

- Interface Engine
- Microsoft Power Automate
- Celery (Worker)
- Python
- Fast API (Backend REST Framework)
- MSSQL (Database)
- AWS secret manager

## Results

- **Improved Claims Processing Speed:** The company saw a drastic reduction in processing time for PBM claims, with tasks that previously took 1-2 days now completed within minutes. Automation significantly reduced manual intervention and improved data accuracy.
- **Error Reduction:** By implementing consistent data processes and automated workflows, errors from manual handling were nearly eliminated. Proactive logging and alert systems were introduced, ensuring timely claim resolution and preventing delays.
- **Enhanced Monitoring:** A real-time dashboard was introduced, allowing the team to track processed versus failed claims instantly, enabling proactive issue management and reducing escalations.
- **Standardized Processes:** By unifying workflows across their Tennessee and Wisconsin locations, Lucent Health achieved faster claim approvals and increased operational efficiency.
- **Enhanced Visibility and Service Delivery:** This solution also provided visibility into daily, weekly, and monthly transactions, enabling the company to deliver better services to its customers while reducing operational costs.

## Conclusion

KPi-Tech's automation and integration solution revolutionized the company's PBM and EDI operations. By automating manual tasks and standardizing workflows, the company significantly improved claims processing times, reduced errors, and enhanced data credibility.

## Discover How KPi's Advanced Solutions Can Transform Your Operations

This enhanced version amplifies the narrative by detailing the technological solutions and their direct impact on operational efficiencies, aiming to resonate strongly with stakeholders looking for comprehensive, future-proof solutions in Continuity Care management.

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## About KPi-Tech

KPi-Tech is an esteemed partner with a legacy spanning over two decades in Healthcare IT, complemented by an expansive influence across diverse industry landscapes. With deep-seated roots in both technology and healthcare, KPi-Tech has consistently led the way in orchestrating transformative solutions. For over 25 years, KPi-Tech has illuminated the path of excellence in Healthcare IT. Our journey began with a resolute focus on elevating healthcare experiences through the strategic integration of technology. Today, our legacy extends beyond healthcare, encompassing sectors as varied as finance, manufacturing, and beyond.