REENGINEERING *forum*

Making the managed care strategy a reality

Sometime in the not-too-distant future a diabetic member participating in a Blue Cross and Blue Shield of Florida health plan will have a medical emergency that brings him to a hospital.

Upon arrival, the patient will present his health plan identification card at the admitting desk, and the hospital will learn in seconds about his medical history, primary care physician, health plan coverage, and even his deductibles and co-payments, eliminating the guesswork and reducing the paperwork.

In addition, the attending physician will learn that this patient has a history of failure to keep up with his medication.

In the past, that would mean once the patient was treated, he would be reminded to pay attention to his medication schedule and perhaps would get a follow-up visit with his own doctor. Experience has shown that this is an expensive, inefficient and not very effective way of dealing with this problem.

However, implementing our managed care strategy will enable us to provide higher quality care through an enhanced delivery system. The strategy's implementation will position BCBSF to meet customer needs, values and expections, which include better quality of care, comprehensive customer friendly services and affordability. With support from our business transformation efforts our strategy also will position BCBSF more competitively in the future market.

"The managed care strategy that the organization has adopted has five basic planks in the platform," says Tony Hubbard, vice president, Reengineering.

Those five planks are:
- Care management capabilities
- **Delivery system** management
- Information technology and management
- Corporate development
- Organizational effectiveness/change management.

"Through the work of the Illness Management reengineering team, we feel that we're

Implementing our managed care strategy, with support from our business transformation efforts, will position BCBSF more competitively in the future market.

really laying the groundwork for beginning to implement our managed care strategy," Hubbard says.

The Illness Management team is designing a process that will serve customers with diabetes, as well as those with other chronic, acute, catastrophic or terminal conditions. Illness management is one of the capabilities in the care management plank.

In applying the Illness Management process to our hypothetical case, the patient would get follow up care from BCBSF staff who would contact him over a period of several weeks to make sure he's keeping up with his medication and has not had further problems.

Managed care strategy

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Virtual Office comes under the third plank, information technology and management, and supports the strategy's objective of more collaborative relationships with selected health care providers.

"We will be more of a partner with providers," says Vickie Bankhead, Medical Services Performance team member. Virtual Office began its first pilot project in April.

BCBSF regards primary care physicians as the first contact point with customers, says Barbara Benevento, vice president for Health Care Program Management; and the strategy is to make that experience as high quality as possible for all involved.

"We're moving away from a contractual kind of relationship, into more of a partnership or joint venture arrangement where we're actively sharing accountability for good health care outcomes of our members," Hubbard says.

It is a win-win strategy that will allow the continuum of care to be virtually seamless and paperless. Providers will not have to worry about what's

covered and who pays; patients will experience greater convenience and comprehensive care; and BCBSF will better meet the needs of its customers.

While business transformation will help BCBSF position itself over the next several years, the company also is working on more immediate goals. "The company is essentially running on two tracks right now," says Paul Barnes, director of strategy for Health Care Services.

One track is to enhance BCBSF's current capabilities, and the other track, which includes reengineering, is creating the capabilities for the future, Barnes says. "The delivery system capabilities and structures for the future are designed to support the implementation of our care management capabilities as they evolve."

Glossary of terms
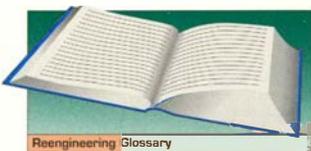
Delivery system: A system of physicians, hospitals and other providers that provide health care services.

Customer Information Management (CIM) system: A new database containing customer information such as member name, group name, demographics, address, basic eligibility information and the customer's provider number. The information contained in CIM was converted from our MHS files (HMO) and the RBMS files (non-HMO products).

Reengineering Forum is designed to educate employees of Blue Cross and Blue Shield of Florida about the company's reengineering methodology, efforts and effects.

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Virtual Office: Shaping the future

Earlier this year, the Reengineering Steering Committee approved the resources needed to develop and implement Virtual Office (VO).

New way of working with providers

The Virtual Office design streamlines BCBSF's current method of interacting with medical providers by moving information and capabilities directly into the providers' offices.

"We've created a new environment where information from BCBSF is available at the time when it's needed by the provider — when the patient receives care," explains Vickie Bankhead, member of Medical Services Performance's (MSP) Virtual Office reengineering team. "It's not an add-on or a separate stand-alone capability, it's an integration with the provider's office that will result in the elimination or reduction of paperwork for customers."

During the creation of the Virtual Office concept, medical providers told BCBSF the three key items on their "wish list":

■ improved access to eligibility and benefits information;

■ simplified referrals and authorizations (now called medical clearances); and

■ a single point of contact (as opposed to the 70-plus BCBSF contacts who now handle a variety of insurance-related issues).

John Slattery, member of the MSP reengineering team, says the approved resources have provided four main areas of expertise needed to support the pilot:

■ Information technology — individuals with the knowledge to create appropriate and efficient hardware and software applications;

■ Business change — individuals with in-depth knowledge of the organization and current health care environment who can develop a smooth transition for Virtual Office;

■ Analytical resources — individuals who can analyze information and provide business solutions for the VO process;

■ Subject matter experts — individuals with in-depth knowledge of specific business components of the VO process.

First VO pilot operational

Virtual Office's first pilot is now operational. In March, BCBSF trained office staff members of the 22 providers participating in the pilot. April 8 saw the implementation of Pilot 1, with Jacksonville's McIver Urological Group as the first provider to be connected electronically.

Pilot 1 is providing an opportunity to deliver pilot capabilities by connecting to the providers' offices through the providers' practice management systems. The initial capabilities delivered by Pilot 1 include supplying providers with accurate eligibility and benefits information on-line and the capability to submit claims electronically for processing on our existing systems. Pilot 1 also provided an opportunity to test new databases, including the **Customer Information Management system.**

Other capabilities were added to Pilot 1 last month. These capabilities included on-line medical clearances and referrals.

Second VO pilot in development

A second VO pilot program, with full capabilities, is expected to follow in December.

The MSP reengineering team was commissioned in October 1994 and created a conceptual design for VO in early 1995. To support the case for change, Slattery says, the team realized that 1996 was the time to launch the pilot programs.

"Because it's complicated and all-encompassing, there's been a fairly long development for this project, but we're trying to get ready for it as fast as we can because if we can get to market, we'll have a jump on the competition and a better delivery of health care for our customers," he explains. "Some companies have dreamed of this concept, but none have implemented it in quite the way that we are."

More reengineering progress

Group and Member Set-Up
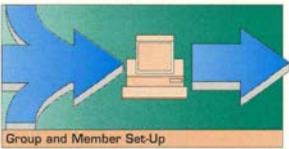
Direct Foundational Pilot— The GAMSU Direct pilot that began in January officially ended in May after testing and proving the single-session, single-station processing concept. New technology capabilities included paying the initial premium by credit card, online rate quotation, online decision support for medical underwriting, and the first iteration of the Common Front End (CFE.) The GAMSU team is now evaluating the results of the pilot and preparing recommendations for rollout of this new capability to the corporate telemarketing department.

Group Foundational Pilot— The GAMSU Group pilot for groups size 1 – 9 was implemented in April for the Northeast Region. Significant improvement in enrollment time has been realized throughout the process. We began manually testing the process on April 22 and added new technology components on May 1. The pilot has been processing all new groups, renewal groups (with a change of products), and cancella-tions in this market. The first iteration of the pilot will last for 30 to 60 days.

GAMSU Small Group pilot provides five new capabilities. First, it provides a paperless environment—work and documents move electronically. Second, it automates filing and document retrieval. Third, we can move a customer from sold to enrolled (ID cards ordered) in a matter of hours instead of days. On average we have a 50 to 80 percent reduction in time. Fourth, the pilot system reports on the performance and movement of the work. Fifth, we can provide customers with a single invoice regardless of their product choices.

A number of areas in the company are directly participating in the pilot. These areas include: Small Group Operations in Marketing; Product and Rate Administration (PRA) in Finance's Statistical Department; Local Group Membership and Billing; Florida Combined Life (FCL), and Corporate Accounts Receivable in Finance.

Illness Management

In March, the Illness Management team completed its Current Opportunity Assessment, the second step in the four step reengineering core process model. The assessment included benchmarking; consumer, customer and provider needs assessment; internal assessment; a conceptual design for the Illness Management process; a preliminary cost/benefit analysis; and a high-level plan for Process Reengineering, the next phase of the four-step model. The team also finalized an approach for the Illness Management pilot and developed project plans in support of the pilot. The team shared its project plans and its estimates for resources needed to develop the process to the Illness Management Steering Group last month.

As part of the team's Current Opportunity Assessment work, the Illness Management team identified an opportunity to deliver a new capability to our customers — a 24-hour telephone line staffed by nurses who can provide health or medical information or advice. Health Care Services is working with the Illness Management team to bring a pilot of the "Personal Health Advisor" to customers this fall.

Call 791-8227 if you have questions about our reengineering effort.

REENGINEERING HOT LINE 791-8227