

The client is a managed health care and health insurance company providing a wide range of health care products and services through various operating businesses.



The Situation

The client has penalty-based contracts with their customers. The client suggested business target for claim payment accuracy is 98.30% and that of overall claim handling accuracy is 97.50%. Lower claim payment accuracy has a two-fold impact – incorrect payment (Underpayment/Overpayment) while paying claims leading to direct hit to business and inaccurate claims processing leading to penalties being levied by client's customers. The average overall claim handling accuracy for a continuous stretch of 16 weeks was 96.69% against an internal process defined target of 98.00%. The overall accuracy target was not being met in the last 16 weeks. This led to financial impact in the form of penalties incurred and loss of bonus totaling to approximately INR 9.6 million per annum. Project Goal is to achieve overall claim handling accuracy of 98.00% week on week for the next three months and further sustain the same for another four weeks ahead.

The Solution

Wipro team stepped in to provide a solution and implemented the following as part of the solution. They:

- ▽ Conducted Gage Repeatability and Reproducibility (GRR) and identified measurement system differences while comparing internal and external methodology.
- ▽ Adopted creative brainstorming and brain writing.

The Solution (Contd).

- ▽ Listed twenty nine causes using Fishbone diagram which was followed by multi-voting by process experts.
- ▽ Identified four quick wins and implemented actions. The team also extracted 13 causes for statistical validation.
- ▽ Used statistical tools like Pareto chart, Moods median test, test of equal variance, two-sample t-test, best subset regression, correlation, ANOVA, Chi-square test, multiple linear regression and impact analysis to identify causal X's.
- ▽ Devised counter measures for five causal X's which were devised using the Go/No-Go matrix.
- ▽ Conducted Failure Mode Effects Analysis (FMEA) on the process flow and mitigated risks by incorporating appropriate controls.
- ▽ Observed sustenance for six weeks with dipsticks which were conducted by Black belts.

The Benefits

With Wipro's solution in place, the client's claim handling accuracy improved significantly.

- ▽ In claim payment accuracy, 1.29% improvement was observed and 0.3% improvement was observed in dollar accuracy rate.
- ▽ Overall accuracy improved by 1.8% and met the target of 98.00%. This also led to increased client satisfaction.

The client awarded Wipro a prestigious trophy for the best and consistent performance on key financial metrics, across all captive, domestic and partner sites.

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Client Speaks...

Wipro has really raised the performance bar for all Captive, domestic and Partner firms across last 7 months and the competition is really tough now.

- Sr. Vice President (Client)

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For further information, please contact:
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