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The Evolution of Highmark Output Services from Print to Mail Operation to Customer Communication Centre of Excellence

In response to national healthcare reform, with increasingly stringent privacy and reporting regulations, Highmark Output Services embarked on an integrity project to change their entire customer communications process. What began as an initiative to ensure compliance with privacy mandates evolved into an enterprise-wide endeavour spanning virtually every aspect of member communications. In this case study, we will explore how Highmark Output Services approached their member communications, looking for opportunities to improve business processes, deliver more value-rich documents to members, and reduce operating expense. The result is an Output Services group that once considered itself a “print and mail” operation has become a value-adding service centre and true customer communication centre of excellence. Highmark was able to undergo this evolution by using the Sefas suite of products to create an Enterprise ADF environment that manages the customer communication process from start to finish.

Customer Background

Based in Pittsburgh, Pennsylvania, Highmark Inc. is an independent licensee of the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield plans. One of the largest Blue plans in the nation, Highmark serves 4.9 million health plan members in Pennsylvania and West Virginia. Nationally, the company employs more than 19,500 people and provides health, dental, vision, and supplemental health products and services to 34.4 million customers.

Background

In 2008, Highmark created the "Document Print & Mail Integrity Initiative" in an effort to address legal, financial and privacy mandates, and ensure accuracy in printing and mailing sensitive customer information. In order to ensure protection of personal information, business units were required to track, audit, and account for every document - down to the individual piece level.

Like many production environments, Highmark's print to mail operation had been managed at the job level, facilitated by multiple vendor software and hardware solutions. To help assemble the tracking information, Highmark had created a legacy system called MIGS (Mail Information Gathering System), which was essentially a set of manual processes that required yet another set of labour intensive checks and balances. "The old job level tracking method was time consuming and prone to inaccurate data and gaps," said Charles Hickey, Systems Engineer and project lead within the Output Services group. "Specific requests to resolve customer inquiries about individual mailings were manually intensive and the data was not available for detailed reporting."

Highmark researched industry best practices for solving integrity issues and realised they could achieve their objectives and optimise production capabilities by implementing an Automated Document

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Factory (ADF). An ADF is the next generation of operational workflow solutions that proactively manages the distribution process and incorporates the necessary functions to help operations dynamically modify applications. This enables greater production optimisation and control, with the ability to trigger, track and audit digital services like composition, post composition, and postal cleansing, prior to printing and inserting.

With an ADF, Highmark would be able to resolve their integrity issues and improve reporting capabilities without the need for involving Business IT. Operations resources could prepare incoming print streams with the required control information to optimise the production process and increase the accuracy and accountability of each document before it arrives on the production floor.

Highmark selected the Sefas suite of products to help resolve their issues. They started with Sefas Designer's post composition module to dynamically reengineer legacy print streams, adding barcodes to

automate the integrity control process. Producer, Sefas' production management and workflow automation solution, was installed to be the heart of their ADF environment. Producer provided a centralised platform to manage the entire document production process from start to finish. The combination of the two products gave Highmark the ability to:

- Reduce or eliminate the possibility of Protected Health Information (PHI) breaches
- Track damaged mail pieces, duplicate documents, and missing documents throughout the process
- Create a reconciliation process for each unique piece and allocate postage charges based on individual mail pieces within a job
- Improve workflow and scheduling of jobs
- Establish an automated real-time reporting structure for scheduling, management tools, and business units
- Produce notifications to managers to alert them of missed deadlines or downtime

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According to Steve Joachim, Highmark's Director of Output Services, "We were very successful in solving [our integrity challenges] over the first year and a half. Utilising Sefas products, we migrated about 95% of our output to the ADF environment and reduced the number of incidents and problems. That first phase was an overwhelming success." He continues, "The next phase, now that we have these software products, is addressing how we can better service our internal customers - providing what they need and aligning our services to solve the challenges that they have, going forward."

The Problem

New healthcare reforms have created a unique set of challenges for Highmark, driving dramatic changes to their business model that force them to transition from a wholesale, group service provider to a consumer-driven retail service provider. This shift in focus has had a huge impact on the Output Services group.

For example: in 2011, Highmark processed nearly 500,000 bills per month. These bills were directed primarily to group healthcare recipients. The projections are that by 2014, Highmark will process in excess of 3 million bills per month, directed at individual policyholders - increasing their current volumes six fold in just a few short years. These projections make it essential for Output Services to position their organisation to accommodate the increases - not only to prove to internal stakeholders that they are able to withstand the increase, but to assure their business partners that they have the capacity to provide the necessary service capabilities for a changing individual retail market.

The Vision

Highmark's strategy for staying competitive in this market is to develop new consumer-focused service capabilities and to redefine the role of the "print and mail" group. According to Joachim, "In order for us to survive as an in-house service provider, we needed to expand our focus beyond traditional print and mail services and start to address digital and alternative means to deliver customer communications."

Their vision is to position Output Services as the central distribution point for all customer communications. Beyond simply offering more delivery options, such as e-presentment or SMS delivery, Highmark is reengineering the way they manage their customer communications by focusing on the source: their data. In order to increase content and improve the relevance of their communications, Highmark has come to the realisation that their value lays in their digital assets.

"Individual consumerism has created new demands on our process and the content of the customer communications we deliver. Currently, most of our legacy applications and print files come directly from the mainframe and have a single source of data. Tomorrow, the communications we distribute will contain content derived from multiple sources," said Joachim.

The Solution

Sefas' unique approach of separating the data model, document design and output formatting into segmented design components enabled Highmark to totally redefine the way they manage their communication development process. While data models are traditionally built for an individual application and support one data feed at a time, Sefas' enterprise data architecture allowed Highmark to leverage data inputs from multiple sources. This greatly increased the amount of content available for customer communications and

provided the foundation for delivering their flagship communication mechanism: the new combined health statement.

Providing the ability to import a wide range of data from a variety of sources has unlocked the potential to expand the capabilities of the customer communication and move from a reactive information device to a more proactive and interactive alternative. "We want to enrich the customer's experience by adding personalised messaging and coaching information about available plan options or health tips. Today's health statements primarily report information on claim transactions. Tomorrow's health statement will be expanded to include content from multiple lines of business." The combined health statement vision is to better inform consumers about the services they currently have, like traditional health, vision and dental programs, as well as provide relative marketing information about services that the consumer would benefit from, like wellness programs.

Joachim explains, "Our new consumer focus has forced us to process large amounts of data from different upstream sources and logically consolidate the information into dynamic and informative communications. Working with Sefas, we were able to go back to our internal data architecture teams and redefine our process for how data is organised, formatted and delivered."

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The Result

Implementing the Sefas suite of products acted as the catalyst for the Output Services Group to quickly enact enterprise-wide changes that improved their customer communication processes. According to Joachim, "The real impetus and driving force [behind these changes] was the Sefas solution. With Sefas, we're able to solve the operational integrity and efficiency objectives, as well as quickly accommodate the business needs by changing legacy applications on the fly. The dynamic nature of the Sefas tools has helped us enable white space management, dynamic messaging, and transpromo - all capabilities that are being driven by our consumerism initiatives."

Furthermore, by exploiting the Sefas solutions to help support us

their Enterprise ADF strategy, Highmark was able to achieve significant time and cost savings. Joachim explains, "Time to market and business agility are two of our most important strategic corporate goals and objectives - being able to react quickly to changing market demands. Sefas not only helps us get to where we want to be from a business standpoint, it dramatically reduced the time to market from an application development standpoint."

Sefas' object-oriented design approach encourages the creation of standard utilities and frameworks that significantly reduce development time by allowing enterprise collaboration and reuse. Many legacy systems were created by generating custom code that was specific to each application. This presented limited opportunity to share common components between applications. Sefas allows users to define generic templates for various document types and build common and/or custom objects that are stored in a central repository and available for reuse across multiple applications. This makes it easier and faster to build new applications and implement global changes, while drastically reducing the maintenance and support impacts longer-term.

In addition to improved time to market, Highmark has continually refined and upgraded their production processes, resulting in massive cost savings for their current business customers. Utilising Sefas solutions, Highmark was able to optimise their production volumes by merging documents destined for a given recipient into a single envelope - house holding. This initiative focused on concatenating two production jobs and saved their internal business customer more than \$120K per month - \$1.4 million per year in postage.

These incremental successes have helped the Output Services group build their skill level and credibility within the business community and, more importantly, helped them to realise their vision of becoming the customer communication centre of excellence by reinforcing the value they add to the organisation. According to Joachim, "It was almost like a wall existed between

and some of the business groups. They were always somewhat satisfied with the work we did, but never really thought that we were all that competitive [compared to an outsourced service provider]. It wasn't until we actually demonstrated that we could provide the new services and solve real business problems - in a cost-effective and efficient manner - that our organisation gained credibility. Now our business partners don't question our abilities anymore. They come to us first, without hesitation."

He continues, "It's been like a chain reaction, from a success standpoint. Once the word got out within our internal business community [that we could provide these kinds of solutions], the demand increased dramatically. The projection is we will more than double our capacity over the next two years."

A Strategic Partnership

Joachim concludes, "We consider Sefas a strategic partner, helping us to solve some of our immediate challenges and guiding us on the best path forward to achieve our longer-term goals. We don't just come to them with software issues; we come to them with business problems, and usually gain a different perspective on how we can solve our issues. And that's a very different relationship, compared to our other vendors. Our partnership and experience working with Sefas thus far, I believe, has been very effective."

About Sefas

Sefas is a world leader in document production technology. The company is headquartered in Paris, France, with operations in the UK and the US. Sefas solutions offer unparalleled levels of flexibility and performance. Many of the largest financial institutions and FTSE 100 leaders rely on Sefas Enterprise ADF technology to produce complex, high-volume and mission critical transactional documents.

For more information about our products and services, please visit www.sefas.com.

Contact:

Whitefriars - Lewins Mead -
Bristol - BS1 2NT - UK
t. +44 (0)117 906 9920
e. contactuk@sefas.com

Office Locations:

Paris, FR +33 156 297 488
Boston, US +1 781 425 5060