

Write-offs due to incorrect or delayed claims process reduced

Problem

An HMO faced the following problems:

- A HEDIS® 2004 Member Satisfaction Survey initiated by the National Committee of Quality Assurance of Health Plans revealed that beneficiaries rated the company in the 60th percentile for satisfactory claims processing.
- The team also perceived that wrong payments (due to over and under payments) that result in write-offs had an increasing trend of 31%, and that the team did not know how much of the delay was caused when correcting the adjustments and if this rework was the leading cause for delays in claims timeliness.

Approach

A **DMAIC** project using **lean** tools was completed. The project was approached with first establishing alignment to the strategic plan. Then the root causes were screened using **hypothesis testing**. During the Improve Phase, in addition to addressing all the root causes, the team also generated and implemented solutions that help reduce write-offs due to copayment adjustments.

Results

- Write-offs reduced by 75%
- Reduced cycle time resulted in capacity of using 72 Call Center Service representatives in Tier 1 to be utilized for other issues and new plans
- Increased to 87%tile HMO on Claims Processing in the next survey (includes other projects and best practice replication)