

EBMC is cutting out the paper at Internet speed

BY RENEE HAAS

One of the greatest benefits offered to businesses using the Internet is the speed with which critical information can be gathered and subsequently shared among users. This assumes secure Web connections, of course. Before a company can take full advantage of the Web, its IT group has to grapple with complex internal processes and devise a paperless solution for data support and electronic distribution that is both efficient and flexible.

A case in point is Employee Benefit Management Corp. (EBMC), with headquarters in Dublin, Ohio. As a third-party administrator of employee benefit programs, EBMC designs, manages and services self-funded medical, dental, vision, prescription drug, and short-term disability programs for employers and their employees. The high volume of reports that EBMC produces for each client company shows how the plans are operating and the amount of claims paid to plan participants. Having timely reports both daily and at month's end, is critical to the bottom line for EBMC's clients because they are responsible for funding participants' claims.

EBMC's problem wasn't the data collection itself. This processing was being done by its Unix-based RIMS claim administration software, running at EBMC on an HP9000, Model K460, Enterprise Server. Rather, the problem came from how the reports were being exported and routed or distributed to client companies. EBMC's report distribution process was entirely paper-based and both EBMC and their clients were drowning in paper every month.

Relying on manual processes to sort reports was one area of concern for EBMC's managers. Relying on the postal system and faxing for distribution to clients was another because it made EBMC's reports prone to delay. At the same time, many of the company's clients saw wholesale improvements that advanced supply chain packages were making to connect business enterprises with customers, prompting their encouragement of EBMC's investigation into updating and automating the reporting process.

Traditional methods of printing and manually bursting the monthly reports required upwards of 20 hours and produced a total of 9,500 paper pages for distribution to 80 clients, some of whom needed multiple copies of reports sent to more than one address. On a daily basis, funding notifications were faxed to nearly 50 clients. This job alone required one employee to stand at a fax machine for nearly half the day, every day. All of this illustrates the kinds of pragmatic reporting and distribution issues IT groups historically face.

EBMC achieved higher levels of customer service and paperless

reporting by using a solution from Hillary Software that automates several stages of report processing and distribution via the Internet. The company trimmed job cycles that took half a day to run to just 10 minutes.

Beyond reporting and distribution, other inefficiencies surfaced as the Information Services (IS) group studied the situation. Some of these stemmed from archiving paper-based data. A microfiche machine allowed EBMC account managers access to the previous month's client reports, but these had to be printed before the account manager could respond to a client's information request.

By looking at customer requirements, the group soon had a clear picture of a number of areas in need of change. A critical priority was a system that would work in concert with the Resource Information Management Systems (RIMS) claims administration system to electronically

produce segmented, customized output in PC desktop file formats for each report, and then send these via e-mail to each client.

EBMC first considered internally developing scripts and templates for bursting of the various monthly reports. However, each report would have required a different process because the key to accurate bursting varied by report. Additionally, the network connection and transfer of these reports to a PC environment, as well as the delivery process, had to be automated.

A simple solution

After numerous inquiries about the efficiency and benefits of electronic reporting from existing and potential new clients, the IS group investigated different solutions. The first step was to identify client needs. Corporate benefit program managers, for example, wanted to know if stages such as enrollment could be accomplished better online, replacing the use of multipart forms. Was it feasible to achieve similar streamlining in the production and distribution of the reports used by benefits administrators and HR managers while also maintaining accurate controls and fiduciary responsibility over their company benefit programs?

Even with known client interest, the IS group had no guarantee any solution would win over clients. A solution also had to win friends among EBMC company users who wanted a highly functional, automated system. Moreover the IS group needed a manageable, straightforward implementation, equating to minimizing the risk and the cost of change. One solution that satisfied all of these various requirements associated with report distribution was by RE-QUEST, a software application from Hillary Software.

EBMC had favored a PC-based solution during its evaluations in

CASE STUDY

Employee Benefit Management Corp.

order to facilitate both deployment by the IS group and the day-to-day operation by company staff. Early use of byREQUEST, clearly showed how the off-the-shelf application could free the IS group from the need for individual scripting for clients' reports and supporting changes while it allowed the group to concentrate on core business requirements. The application also enabled EBMC to generate numerous ODBC compliant standard reports using the RIMS database.

EBMC took the plunge in November 1999, becoming a beta test site for byREQUEST on an HP9000 K460 server. The most time-consuming aspect of setup for the company's transformation was gathering e-mail addresses from those clients wishing to receive their reports via e-mail. To get the ball rolling, EBMC sent out request forms with the December reports. Just one month later, EBMC was sending out its first electronically segmented and delivered reports.

Electronic bursting of reports coming from the company's Unix based database into PC-formatted reports greatly enhanced overall data availability and usability. Improved information delivery to both clients and internal EBMC personnel was the bottom line result. Planned as well as unforeseen improvements in efficiencies were immediate and dramatic!

EBMC staff uses byREQUEST to browse the Unix spooler and choose the desired report format. These may be Microsoft Word, Excel, PDF or any of a number of industry standard PC formatting options. Users find the application enables them to interface with data from the Unix server. Data can be viewed, formatted, printed, sectioned, burst and archived, all from a PC or NT Server. This is accomplished without imposing on the IS group for installing or maintaining client software.

Companies interested in making their reporting processes highly automated should also note that this system, when used on a PC with mail services, will also automatically e-mail reports to designated addresses. This is important because it enables users to place reports on internal, shared network drives with PC desktop extensions such as .DOC, XLS, .PDF and HTM. Today, EBMC's users are saving significant amounts of time because they can simply double-click and go on, for example, to provide other customer services.

Interestingly, during the early transition stage with clients, EBMC agreed to fax daily reports in parallel. This transitional measure was intended to allow clients to become accustomed to receiving and working with files electronically. Yet, after only a few days, most users called asking to stop the faxes — validating almost overnight the decision to go "paperless" and receive reports electronically.

Timely data delivery

No longer are monthly reports being received mid-month. Clients now receive reports no later than the fifth of each month. Also drastically improved was the delivery of daily reports, which include funding notifications that advise clients of benefit checks issued each day and the amount of funds needed to cover these checks. With elec-

tronic report bursting and delivery, a half-day job was reduced to 10 minutes.

Of course, speed isn't everything. "We were concentrating on trying to deliver data faster to our clients so that they could more effectively manage their health benefit plans," Lori Richard, EBMC account manager, said. "However, one of the asides that came out of implementing the software was that our clients are now able to streamline the electronic data we provide which they can feed into their own financial systems. This enables them to become more efficient through the elimination of data entry." Because the reports are electronic when they arrive, the data is easily imported into low cost PC analysis tools users can use and understand immediately.

In terms of streamlined efficiencies, the same is true for EBMC. "Another positive is that we now have all of the reports posted on a shared server internally, so that if an account manager needs to know what a client's expenditures were for January 2000, they can sit at their desk and pull it up," Richard says. "No more microfiche." The easy access provided by the shared server ultimately allows for greatly improved customer service.

Underpinnings of the future

Initial worries about client buy-in proved unnecessary for EBMC. Once a funding notification, for example, was made available via e-mail, the company had 99 percent client involvement within two weeks. Only one of the 48 companies notified chose to continue to be faxed; the contact person at that client site doesn't currently have e-mail capability. More than half of those clients receiving monthly reports now get them via e-mail. Those companies that continue to get the reports in print also benefit because the overall process is faster.

Based on these results with clients, EBMC is committed to a far faster electronic, less paper-filled world. The company is internally developing a solution to provide online enrollment. The new level of management reporting capability will prove especially timely as EBMC's clients are tasked with meeting the latest requirements of the Healthcare Insurance Portability and Accountability Act (HIPAA). Industry experts predict that HIPAA will bring changes more sweeping than Medicare to EBMC and independent plan providers.

Recent updates to byREQUEST such as automated faxing and electronic FORMS support are under consideration for future implementation.

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