

Improving EDI Results Through Focused Growth Programs

About Coventry Health Care

Founded in 1986

Headquartered in
Bethesda, Maryland

Operates in 50 states, the
District of Columbia and
Puerto Rico

Provides coverage to more
than 2.5 million lives

Offers a wide range of
managed care plans

Background

Coventry Health Care is a national managed healthcare company operating health plans, insurance companies, network rental service companies and Workers' Compensation services companies in 50 states, as well as the District of Columbia and Puerto Rico. Coventry provides a full range of risk and fee-based managed care products and services to a broad cross-section of employer and government-funded groups, government agencies and other insurance carriers and administrators.

Coventry has long been recognized for its solid foundation. Among all Fortune 500 companies, Coventry was cited in 2005 by Fortune as having the third highest total return to shareholders over the prior five-year period and was ranked #3 in Barron's 500. Coventry's dramatic growth proves that its model of local management, supported by a strong parent company with a conservative financial foundation is a strategy that works.

Challenge

Looking ahead to the future, Coventry recognized the need to create a business model focused on electronic transaction adoption and growth. Experiencing a rate of only 39.5 percent electronic claims submission and a high volume of calls, Coventry began to look for ways to put together a successful growth program that would not only increase electronic claim submissions, but also increase adoption of the non-claim, real-time transactions (such as eligibility and claim status) in order to decrease its call center volume while improving customer service.


Analyzing what it would take to successfully grow transactions, Coventry recognized that it needed a strong outside partner to facilitate electronic transaction growth across its provider network. Coventry identified three core requirements for any prospective partner to help Coventry achieve a successful program: 1) existing relationships and contracts with the major vendors, providers, clearinghouses and POMIS vendors; 2) the capability to analyze claims data; and 3) the sales organization to reach out and encourage adoption through various marketing efforts.

Strategy

After considering several options, Coventry chose Emdeon's EDI growth program as the solution. Coventry had been processing electronic claims through Emdeon for many years and, when presented with the growth program opportunity, decided to broaden the relationship.

"When we looked at this project, we realized that Emdeon possessed the three core requirements necessary for our success," said Harry Fox, former Vice President of e-Commerce for Coventry Healthcare and current Vice President, Business Information Officer at Kaiser Permanente, speaking of Coventry's Accelerated Growth Program with Emdeon. "They have a group who understands the data, understands how to analyze that data and they are able to execute the growth strategy through sales and marketing. We decided to expand our relationship with Emdeon into these growth programs to not only build our growth program but also grow our organization."





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Solution

Coventry and Emdeon analyzed the data, identifying opportunities by looking at rejection rates, provider specialty trends and markets with low utilization. They established annual goals and launched a data-driven program that utilized a two-pronged approach.

“Combining information from both organizations allowed us to identify the true growth opportunities and focus our efforts on those prospects/opportunities,” said Anthony Pilotto, client services director for Emdeon.

The first approach centered on connecting providers who had not established electronic connection to Coventry. Emdeon coordinated outreach opportunities through sponsored seminars and education, while marketing was coordinated through the Coventry e-Commerce Outreach Group with the assistance of the health plan’s provider relations staff. Providers were also offered products and services that enabled them to submit claims and conduct other electronic transactions.

The second approach targeted those providers who were already connected through Emdeon but submitting transactions to Coventry at a lower than expected rate. A variety of outreach strategies including educational seminars, telemining initiatives and the creation and deployment of payer fact sheets, were employed to educate and assist providers as well as identify and remove any barriers to electronic interaction with Coventry.

Results

“Within a short time of implementation, we began to experience results,” said Fox. “Through this program, we saw clear, measurable increases in both EDI rates and our real-time transactions.”

Now, several years into the program, Coventry’s rate of electronic submission has risen from 39 percent to 71 percent. By increasing the usage of real-time eligibility and claim status inquiries through Emdeon, Coventry’s call center volumes have decreased by approximately 30 percent. In 2005, after acquiring First Health, Coventry began developing similar growth programs for the First Health line of business.

“We have been approached by many companies who sell components of what we’ve done with Emdeon” said Fox. “But what makes Emdeon’s program unique is their robust end-to-end capability: sophisticated analysis of our claim and provider data, development of targeted execution plans, and their strong ability to execute. It is a creative program that continues to evolve based on analytic findings and market needs. The Emdeon growth program is one of the strongest programs that Coventry has participated in. Emdeon has a solid team, and that has made the difference.”

Emdeon is a leading provider of revenue and payment cycle solutions that connect payers, providers and patients to improve healthcare business processes.

To learn more about our company, our services and our commitment to improving healthcare, visit our website at www.emdeon.com.



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