



Healthcare Claims Detection and Recovery Provider Boosts Efficiency, Competitiveness

Overview

Country or Region: United States

Industry: Healthcare

Customer Profile

Based in Seattle, Calypso Healthcare Solutions helps health-insurance providers find and recover overpayments on claims. Calypso is a subsidiary of Premera Blue Cross.

Business Situation

To more efficiently identify overpayments and provide recovery to customers, Calypso needed to replace a legacy solution with one that would present claims to auditors in a more intuitive and prioritized way.

Solution

With the help of Microsoft® Partner OTB Solutions Group, Calypso developed and deployed a solution based on Office SharePoint® Server 2007 (and other components of the 2007 Microsoft Office system) and Microsoft SQL Server™ 2005.

Benefits

- More efficient overpayment detection
- Potentially greater recovery
- Higher auditor morale
- Easier headcount forecasting
- Simplified scalability
- Positioning for growth, competitiveness

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Catherine Albert, President and Chief Executive Officer, Calypso Healthcare Solutions

Calypso Healthcare Solutions needed a more efficient way of handling the millions of potentially overpaid claims presented to it by its customers in the health insurance industry. The firm worked with Microsoft® Partner OTB Solutions Group to replace a hybrid legacy detection-and-recovery solution with one based fully on Microsoft technologies, including the 2007 Microsoft Office system and Microsoft SQL Server™ 2005. Now Calypso can help ensure that auditors receive claims in a way that prioritizes those most likely to be overpayments and that provides powerful trend analysis. Consequently, auditors are working more efficiently, customers are recovering overpayments more rapidly, and the trending information will help them reduce the frequency of future overpayments. Further, the solution is easily expandable to help Calypso accommodate growth and maintain its competitive position.

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Kelly Ussery, Discovery Lead, Calypso Healthcare Solutions

Situation

Calypso Healthcare Solutions provides an essential service to health insurance providers by helping them find and recover claims overpayments, and helping them understand how they can avoid or minimize such overpayments in the future.

A wholly owned subsidiary of Premera Blue Cross, Calypso reviews 12 million claims each year, totaling U.S.\$5 billion, that are paid by Premera and other customers. Of these claims, roughly 3.5 to 7.0 percent are estimated to be overpayments, and it’s the job of highly skilled auditors at Calypso to find those overpayments. It’s a challenging job, considering that each claim represents hundreds of data elements and multiple processing steps in which an overpayment error might occur. Consequently, to deliver value to its customers and remain competitive, Calypso must ensure that it uses those auditors’ time and talents efficiently.

To do this, Calypso must provide the auditors with powerful and accessible tools and technology. But over the years, the solution used at Calypso for presenting potentially overpaid claims to auditors had fallen behind. Built on a hybrid platform and having evolved in an ad hoc fashion, that solution had become an impediment to growth because it could not easily be scaled in scope or function to accommodate the requirements of new customers.

Calypso’s needs were threefold, according to Catherine Albert, President and Chief Executive Officer, Calypso Healthcare Solutions: (1) a standardized claims-auditing process with consistent and accepted definitions so that claims information from multiple customers could be audited entirely from one common front-end system; (2) a mechanism for prioritizing claims based on ongoing analyses and an understanding of the indicators of potential overpayments that

evolve over time; and (3) a way to organize workflow to help ensure that only one auditor would be reviewing a given claim at any one time.

On the last point, Janis Sanhop, Manager, Calypso Healthcare Solutions, says this: “Under the legacy solution, a claim might appear simultaneously on multiple reports, sometimes resulting in up to a dozen auditors tripping over one other trying to work on it. This was hardly the best use of our valuable auditing resources.”

Solution

Under the leadership of experts from Microsoft® Partner OTB Solutions Group, Calypso IT executives decided to re-architect the company’s core operational processes and systems for overpayment discovery. The executives also established plans for the creation of consistent definitions for claims data along with a discovery process that would change the way work is assigned, based on prioritizing claims in multiple auditor work queues.

In addition, the executives began development and deployment of a solution, known as Focus Point, that would define and support new organizational roles, a new work-prioritization process, and a new claims-auditing system.

At the time, IT professionals from both OTB Solutions Group and Calypso were taking part in the Rapid Deployment Program for the 2007 Microsoft Office system. Based on what these individuals observed in the new technology, particularly Microsoft Office SharePoint® Server 2007 with its Business Data Catalog and SharePoint Designer, they decided to base the front end and middle tier of the solution on those Office tools. For the solution’s data warehouse, they chose Microsoft SQL Server™ 2005 because of its

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enhanced Web-service and reporting-service capabilities.

According to Jerry Tonkovich, Engagement Director, OTB Solutions Group, these choices were driven by Calypso's need for flexibility, cost-effectiveness, and expandability. “Calypso needed a solution whose user interface and data-display format could be adapted to the requirements of new customers with little or no coding,” he says. “With the Business Data Catalog residing between the user interface and the SQL Server 2005 database, Office SharePoint Server 2007 appeared to be an ideal fit.”

In addition, the IT professionals from OTB Solutions Group and Calypso also deployed a collaboration solution based on Microsoft Office Groove® 2007 to help Calypso auditors consult with offsite attorneys regarding overpayment claims in a secure and convenient fashion.

“We chose Office Groove 2007 because of its invitation-based security model, which is vital considering the stringent confidentiality requirements of the healthcare environment,” says Dick Federle, Solution Architect, OTB Solutions Group. “We also liked the product's comprehensive integration with Office SharePoint Server 2007, the foundation of the Focus Point solution.”

Benefits

With the new Focus Point solution in place, Calypso provides auditors a single, unified view of all information about a given claim. The solution prioritizes claims based on their respective probability of being overpayments, ensures that a given claim is delivered to only one auditor, and maintains ongoing analyses of overpayment indicators, continually enhancing prioritization rules. As a result, the solution helps Calypso use its auditors' time most efficiently and position itself for growth

and continuing success in its competitive market.

More Efficient Claims Recovery

Auditor efficiency is a major benefit of the new solution. “With the solution, a Calypso auditor can look at a claim once, understand all the issues surrounding it, make a decision, and then move on to the next claim,” Federle says. “Auditors will spend less of their time looking into claims that are, in fact, not overpayments, and more of their time looking into claims that are so that they can best determine how to recover those overpayments for our customers.”

In Albert's opinion, this approach is bound to increase the recovery rate for Calypso customers as well as the job satisfaction of auditors. “We expect this solution to help us find more recoverable dollars in overpayments, and find them more efficiently,” she says. “This will add value for our customers and boost morale among our auditors.”

The Power of Proactivity

Albert and her colleagues also expect the solution to help Calypso customers reduce future overpayments through use of sophisticated SQL Server 2005 analysis and reporting services.

“Each decision made by the auditors goes back into the solution, which uses a feedback loop to make its internal scoring algorithms progressively more accurate,” Albert explains. “Those scoring algorithms, which are essentially how we go about determining and dealing with overpayments, are the bread and butter of our company. The stronger they are, the more effectively we can serve our customers.”

The solution's analysis and reporting capabilities also will help Calypso make the

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auditing process more efficient from a human-resources standpoint.

“The solution will tell us how many claims are audited by a given individual and how long each audit takes,” says Kelly Ussery, Discovery Lead, Calypso Healthcare Solutions. “As a result, we can more accurately forecast auditor headcount to accommodate growth, even as we are using auditors’ time more efficiently.”

An Enterprise-Ready Platform

Calypso executives fully expect to see continuing growth in the number of claims reviewed, and accommodating that growth means the company will probably need more auditors and more functionality in the Focus Point solution. For this, Federle applauds the solution’s inherently scalable nature.

“Based on the design of the solution and its foundation in the 2007 Microsoft Office system, especially Office SharePoint Server 2007 and SQL Server 2005 technologies, we are comfortable that it can be expanded to support however many customers, and however many claims for review, that Calypso might need in the future,” Federle says.

Federle goes on to say that the 2007 Microsoft Office system and SQL Server 2005 technologies provide an “enterprise-ready” platform.

“The SharePoint Designer makes user-interface design quick and easy, and the Business Data Catalog helps us abstract complex data relations and expose them in Web parts so we can limit coding to the data and stored-procedure layers,” Federle explains. “This approach not only helped Calypso to minimize original development time and cost, but also positions the company to make future enhancements to support new customers without having to manipulate code.”

In other words, auditors can do their own user-interface customization to support the review of claims from a given customer without having to involve IT experts.

“Using SharePoint Designer, with its phenomenal drag-and-drop capabilities, an auditor can decide which database fields to display or how to sort or filter them, without needing the help of C# programmers or other IT professionals,” Federle says. “This means that Calypso auditors can perform their jobs more effectively, and so can Calypso IT professionals, who can devote their talents to more value-added activities such as ensuring that auditors are presented with the most timely and comprehensive claims data possible.”

Federle further explains that code can be added at the database level, with relative ease, to provide full flexibility to the solution. “The integration of SQL Server 2005 with the Visual Studio® 2005 development environment makes any final coding efficient and seamless,” he points out.

Enhanced Opportunities

Even after using the Focus Point solution and Office Groove 2007 collaboration solution for just a few weeks, the Calypso and OTB Solutions Group experts became firmly committed to the 2007 Microsoft Office system as an enterprise-ready platform. “With the successful deployment we observed just in a beta version of the product, we are fully confident of continued success when it is time to migrate Calypso to the production version,” Tonkovich says.

Tonkovich also speaks highly of the experience and of the potential business opportunities made available.

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“With the 2007 Microsoft Office system, we can build higher-value applications at a lower cost and in a way that can be easily scaled or enhanced for growth,” he says. “Particularly in healthcare, there are many installed applications that do not connect together all that well and are in need of enhancement or replacement. Having a powerful technology such as the 2007 Microsoft Office system toolset will greatly enhance such opportunities. For everyone involved, the solutions deployed for Calypso and the 2007 Microsoft Office system technology on which they are built represent a big win moving forward.”

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