

Freed Guides Technology Strategy Breakthrough for National Health Plan



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Introduction:

A large, successful national health plan could have chosen to stay the course when presented with the chance to make major, long-term technology improvements for its commercial business. After all, despite years of lagging systems capabilities, the health plan's overall mission-driven strategy was still working well. The health plan consistently outperformed the market and its plans ranked highly with members.

The health plan's chronic technology underinvestment was taking a toll, driving expensive workarounds and impairing its ability to deliver the types of services that brokers and employer groups demanded. Worst of all, despite the health plan's public accolades, its sales, enrollment and renewal processes were often below market expectations, to the point that some brokers, third-party human resource vendors and administrators preferred to partner with competitor health plans that were easier to do business with.

With an aggressive, long term strategic growth plan on the horizon, the health plan could have wrung every last drop of functionality from its aging IT infrastructure and supplemented it with costly additional staffing to support makeshift manual processes. Essentially, this would have been a "do nothing" decision. Or, the health plan could pursue and gain approval from its senior leadership for a major technology investment that would strategically

position the company for years to come. This latter choice would actually prove to be a much more challenging decision to achieve, at least initially.

For several years, the health plan's board had routinely denied technology investment requests for several reasons, including the lack of a holistic and integrated "sales and renewal" strategy and an absence of analysis around true costs and benefits. Additionally, there was no overarching "burning platform" that required the health plan to immediately address customer service issues.

After years of board funding denials, the health plan's senior leaders decided they needed a new strategy that clearly outlined the compelling reasons for technology investment and presented a more disciplined and integrated approach to overall process and systems improvement. To facilitate executive support and buy-in for this initiative, the health plan brought in Freed Associates (Freed) to help analyze individual investment requests, build a technology roadmap supporting the company's growth strategy, and facilitate stakeholder work groups to develop and present a compelling business case. This work included supporting documentation that combined multiple budget requests into logical investments.

Goal:

Freed helped the health plan identify and address its most critical strategic technology and business investment goals:

- Address a gap in technology investments to help the health plan systemically improve its commercial sales, enrollment and renewal processes
- Create a business case to prove the financial merits of the strategy
- Facilitate executive buy-in and support for the strategy
- Build a multi-year plan to organize various technology investment opportunities into an integrated roadmap

Strategy:

At a strategic level, Freed worked with the client to organize and facilitate technology investment requests into a single clear and compelling business case. This case would knit together disparate technology needs into a compelling, integrated multi-year roadmap of technology projects that would continuously improve customer experience.

While the client clearly provided assembly and decision-making for this strategic initiative, Freed's health and technology industry knowledge, expertise and experience would prove integral to the effort. Freed also provided crucial third-party objectivity and perspective that guided multiple rounds of discussions with key stakeholders from sales, account management, underwriting, IT, and product management. By being engaged early in the

strategic planning process, Freed was able to help the client more effectively bridge a long-standing disconnect between the client's business and IT divisions (as is common within many organizations) and create solutions that addressed the breadth of the organization's business and technology needs.

Execution:

Over five-plus months, the client and a team of Freed consultants analyzed and built the justification for a major technology investment initiative that recognized key enterprise interdependencies and reflected integrated thinking across the client's business and IT departments.

Freed engaged the client's business and IT teams early to develop fundamental solutions for its customers' stated business problems. Freed facilitated project governance and brought together the client's project and executive sponsors, project teams, subject matter experts and stakeholders.

Critically, Freed organized and facilitated two separate day-long retreats for the client's business and IT leaders, enabling them to align their goals and expectations on their capability improvement roadmap. Having these teams align on strategy and begin to integrate their projects was a key catalyst for the work.

Additionally, Freed organized the client's internal review processes, and worked with teams to identify dependencies and bundle technology requests into a logical sequence. Freed also developed a cost estimating methodology, which created a benchmark template for determining future financial benefits (e.g., membership growth, administrative cost savings, and increased employee productivity).

Freed applied its project management discipline to establish the program's overall work plan, including key milestones for the business case, implementation roadmap, and multi-year funding documentation (including cost and benefit estimates). Freed created a template and toolkits to help guide business leaders in developing documentation to describe their business needs, user stories associated with internal and external pain points, and a high-level IT solution design.

As part of the client's ongoing work, Freed reviewed and analyzed business strategies, helping the client hone in on the most pressing people, process and technology needs.

Results:

Freed's work helped the client achieve several breakthrough successes, including:

- Created a benchmark business and IT planning and process model – which will be replicated for future budget cycles
- Developed a multi-year, phased approach to technology investments – which can be built and adjusted based on changing environmental factors

- Built a compelling business case – which the client can use as a template in the future to engage decision-makers and stakeholders
- Submitted funding request documentation – that carefully crafted cost estimates, benefits and implementation timelines through an effective business/IT collaboration model
- Reinforced collaboration and collegiality – fostered a collaborative relationship between business and IT professionals and developed a future model for collaboration
- Achieved early executive buy-in – engaged key executives by providing feedback to craft the investment scope, costs, and benefits to maximize investment approval chances

Conclusion:

Today's health care realities demand an ever-higher level of rigor to commit to major technology investments.

Through Freed's work and leadership, the health plan now has a long-term technology strategy and supporting roadmap to help justify its planned strategic IT investments. Freed's strategic insight and oversight proved instrumental in helping the health plan's business and IT units more effectively understand one another, collaborate and reach critical long-term decisions. The client now has a solid, sustainable foundation to make well-informed decisions about its future IT investments that support its customer-facing service imperatives.