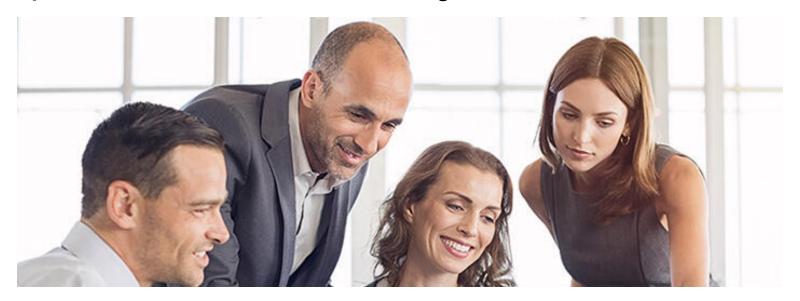


# **Operational Intervention Revives Floundering Health Plan**



A major regional health insurance company was experiencing serious operational issues just as it was undertaking a major geographic expansion. Providers and state regulators were already reporting negative feedback. Internal staff attempts to remedy the situation had proven inadequate.

### **Problem to Solve**

As business effectiveness studies repeatedly show, the best leaders are those who are willing to admit when and how they need assistance, then acting swiftly to obtain the help that's needed.

A major regional health insurance company was experiencing serious operational issues just as it was undertaking a major geographic expansion. A wave of initial implementation issues and leadership and staffing turnover threatened to overwhelm the company's expansion plans and wreck its chances to make a favorable first and lasting impression in its new markets. Providers and state regulators were already reporting negative feedback. Internal staff attempts to remedy the situation had proven inadequate.

Faced with these mission-critical operational issues, the company's CEO stepped in and engaged Freed Associates (Freed) to improve the organization's operations in two key areas: network development and provider relations. Freed was engaged based on its extensive prior experience organizing and launching new insurance products and services for a variety of organizations.



# **Strategy and Tactics**

The initial task for Freed was to understand the company's operational needs around network development and provider relations, then formulate plans to address each. All of this work needed to be completed within three months in order to meet the company's business needs and timing. The greatest needs centered around three primary areas of focus:

- 1. **Unexecuted contract backlog** This was the most serious operational issue, as it affected the underlying foundation of the company's geographic expansion plans.
- 2. **Provider relations and contracting department operations** Leadership and staffing issues in these departments needed to be immediately addressed for ongoing operational viability.
- 3. **Fulfillment of state regulatory requirements** Inadequate execution and follow-up with state requirements threatened to jeopardize the company's operational abilities.

Regarding the most serious issue, the contract backlog, it quickly became apparent there was insufficient operational oversight related to workload management. Provider relations was experiencing leadership and staffing issues. Essentially, an "all hands on deck" initiative was created to immediately reduce the number of unexecuted contracts, and take steps to ensure this deficiency would not recur. This included reinstating a new provider orientation program and processes to facilitate provider understanding of operational procedures.

The leadership and staffing issues in provider relations were initially addressed temporarily, with strategic plans also established for long-term, permanent fulfillment of all key operational roles. This included initiating standards and processes for monitoring, assessing and managing workflows, in order to determine work efficiency and productivity. A training program for employees was introduced.

To address regulatory concerns about the company's operations, the company assessed its provider access standards, identified deficiencies, took steps to address them and reassessed its provider access progress.

### **Results**

The steps that Freed initiated, in conjunction with key company staff members, proved to be an across-the-board success. Key results included:

- **Reduced contract backlog** Reduced the unexecuted contract backlog by 76% within three months, with plans in place to address the remaining backlog
- Improved department operations Initiated and executed plans for addressing provider relations and contracting leadership and staffing issues, including screening and hiring temporary staff, interviewed for additional staff openings and established long-term leadership standards
- Fulfilled regulatory requirements Addressed directly the state's regulatory requirements related to



# provider access

In aggregate, through these immediate operational improvements and establishment of long-term standards, the company was able to stabilize operations in order to successfully operate in its new geographic market and support the company's ability to meet its long-term business goals. Additionally, the company's leadership gained considerable peace of mind knowing that this effort had eliminated the risk of a poor launch and the prospect of costly regulatory penalties.

When existing internal leadership and staffing proved insufficient for addressing the company's immediate operational issues, the company's CEO intervened and brought in the outside resources needed to achieve the company's business goals. The company's initial launch and long-term success in its new geographic market would not have been possible without the external input and assistance that was provided to address its operational issues.