FAIRFAX SOFTWARE PROVIDES THE "RIGHT SOURCE" FOR HUMANA

After a false start in automating its subscription mail-order operations, Humana found the right solution with Fairfax Software.

Overview

Challenge

Humana wanted to gain efficiencies in mail order processing, improve customer service, and reduce fulfillment time and cost-to-fill.

Solution

Fairfax Software implemented its *Quick* Modules software on IBML scanners to convert mail orders into electronic images, validate patient/member and prescriber data, and deliver productivity improvements throughout the entire operation.

Benefits

Faster and more efficient order processing, improved order entry, operator productivity, faster prescription fulfillment, better customer service and reduced cost-to-fill.

Several years ago, Humana complemented their insurance offering with prescription fulfillment. The initial service offering started with prescription fulfillment through a brick and mortar supplier. Concerned that Humana's desired level of customer service was not being met, it opened its own mail-order pharmacy, RightSourceRx.

Cost concerns and large labor demands for mail operations and data entry led Humana to contact a vendor with whom they were familiar and used on a regular basis. Jointly, the two parties built an automated mail-order prescription system.

After a lengthy design and implementation process, the first system Humana employed failed to meet Humana's performance expectations. While the system simplified the scanning and mail extraction process, it was difficult to learn, required a large amount of data entry labor, and did a poor job in creating the mail order.

The system was composed of a number of different processing modules which did not interact well with one another. "It was like the different modules were written by different people, each in a different language," explained Tony Keller, VP of Right Source Operations. The modules did not share the same terms, descriptions, and keying functions. Operator training was unnecessarily long and productivity was much lower than anticipated. Allocating staff to volumes was difficult due to the different skill training requirements of each of the processing modules.

OBJECTIVE: LABOR AVOIDANCE

Rapid growth manifested itself in increased difficulty processing mail and entering orders into the system in a timely manner. To compensate for limitations in the system's functionality and disparity between processing modules, Humana responded by throwing additional staff at the problem.

As the number of staff increased, other problems presented themselves. Instead of delivering work to the data entry

operators, operators selected their own work. Some staff members drove up their production rates by selecting the easy prescription orders. Other than the obvious problem of not being able to measure staff performance accurately, allowing operators to pick their own work created backlogs in production. As fewer staff members selected the more difficult and time consuming work, processing delays increased.

Another system limitation Humana encountered was the handling of split orders, as is the case where a husband and wife combine their prescription order. The system relied on staff members to determine the fulfillment of an order involving two or more parties. Properly dividing the order between parties became a labor intensive and error prone task.

Increasing demands for IT support combined with expanding labor requirements, low productivity and quality caused Humana to reassess the system and operation. Realizing that increased volume growth and planned business expansion were in jeopardy, Humana made the bold recommendation to replace the system.

BENEFITS

Humana returned to the list of vendors that were considered while investigating the initial solution. Fairfax was selected and a replacement system went live in the fall of 2010.

Initially, there was concern about the size of Fairfax and the company having the resources to meet Humana's requirements. The concerns were quickly resolved as Humana researched and verified Fairfax's knowledge and working understanding of mail, pharmacy, and fulfillment operations. Fairfax was selected and a replacement system went live in the fall of 2010.

RightSourceRx was not a huge operation and had not been in existence long enough to become set into fixed processing routines. Together, Humana and Fairfax shared design ideas and made changes to the workflow. As Tony Keller, VP of RightSource Operations, explained, "When you are not set into a pattern, it is much easier to adapt and change. We are preparing for the day when we are of a size where change becomes more difficult. So, the flexibility of the Fairfax system is a key ingredient for us. We were and are able to build the system and processing flexibility we need for today and the future."

The Fairfax system has allowed Humana to meet its productivity and staffing objectives. The efficient layout of the work queues, the employment of OCR and ICR technology, combined with greater data entry accuracy has allowed Humana to gain control of its staffing requirements and expense. During the first month of implementation, Humana experienced an increased processing efficiency of 50%.

The handling of the workday was simplified by the Fairfax system's automatic form and data recognition and the system's ability to automatically assign work to the proper queues. The handling of exceptions, especially split payments, became more efficient, and reduced staffing demands.

Humana's volumes have been doubling for quite some time. Daily order volumes are averaging 15,000. This year, Humana will process over ten million prescriptions. In the JD Powers survey of mail-order pharmacies, Humana ranked third for the second year in a row.

Humana has been able to grow the business and processing volumes while fully employing the existing staff. No new staff hires have been required in the order entry department during the past year.

"We will be using Fairfax to makeover other operations in Humana. We are discovering new opportunities for improvement, efficiency and business opportunities all the time now that we have a system that is flexible and fully featured," stated Tony Keller.

The Fairfax solution went live in the fall of 2010 and has already delivered the productivity level that was expected for the project. The Fairfax system delivered an ROI in less than a year. This is especially note worthy because the ROI calculation included the development cost and replacement of the previous system.

The Fairfax system delivered two intangibles that are extremely important to Humana - quality and timeliness. Humana places emphasis on quality first, knowing that high quality will lead to efficiency. As Tony Keller states, "In dealing with prescriptions, we are dealing with people's lives. Quality is extremely important."

Fairfax Software is proud of its achievement at Humana and looks forward to many more years of serving customers of RightSourceRX.

Fairfax Software's award winning Quick Modules software optimizes processing workflows by electronically identifying, capturing, validating, and updating critical information our clients receive whether electronic or paper form. The system processes virtually any document within a common workflow improving efficiencies and achieving a high return on investment. All provided by a single source known for its commitment to quality and high service delivery.

One Solution – One Workflow – One Provider

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