



CASE STUDY // HEALTHCARE

BlueCross BlueShield of Western New York

A division of HealthNow New York Inc.

// With consumer-directed healthcare changing the fundamentals of the business, the insurance industry must become focused on responsiveness to individual consumer members. BlueCross BlueShield of Western New York took bold steps to boost its service levels in just one year.

// **Customer overview**

BlueCross BlueShield of Western New York, a division of HealthNow New York Inc., is the leading healthcare insurance company in Western New York. Since 1936, it has been a pioneer in providing quality healthcare benefits to companies and individuals in the region.

// **Challenge**

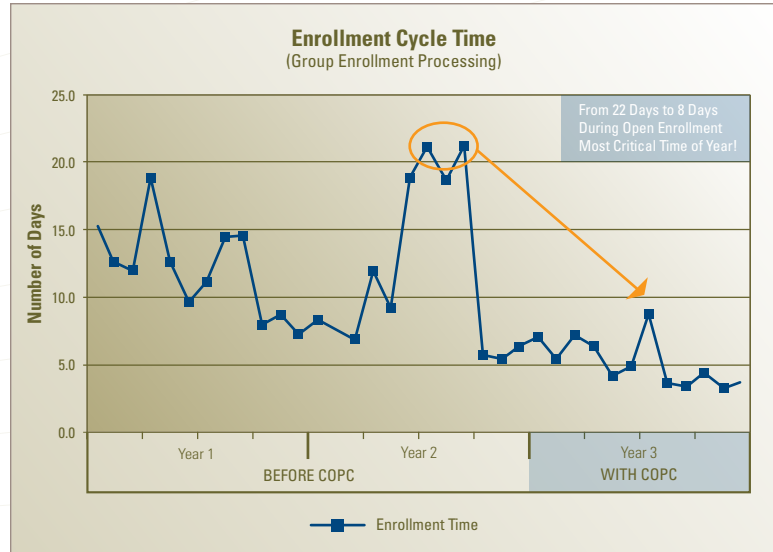
BlueCross BlueShield of Western New York sought to improve the performance of its service operations, improve its customer satisfaction levels, improve quality, and become more productive and cost efficient in a comprehensive effort to remain competitive in the marketplace.

// **Solution**

BlueCross BlueShield of Western New York improved quality, service, productivity, and customer satisfaction simultaneously through performance and process improvements using the COPC® Performance Management Framework: a comprehensive system of management practices, process disciplines, key metrics/measurements, and training for customer-centric service operations.

// **Benefit**

For BlueCross BlueShield of Western New York, the results from the COPC® Performance Management Framework extend throughout the organization's service delivery operations. For the first time in the company's history, the organization has implemented a centralized system of management in all of its service operations to increase quality, service, cost efficiency, and improve customer satisfaction.



Achieving certification to the COPC-2000® CSP Standard resulted in a marked improvement in speed of client setup during open enrollment—the most critical time of the year.

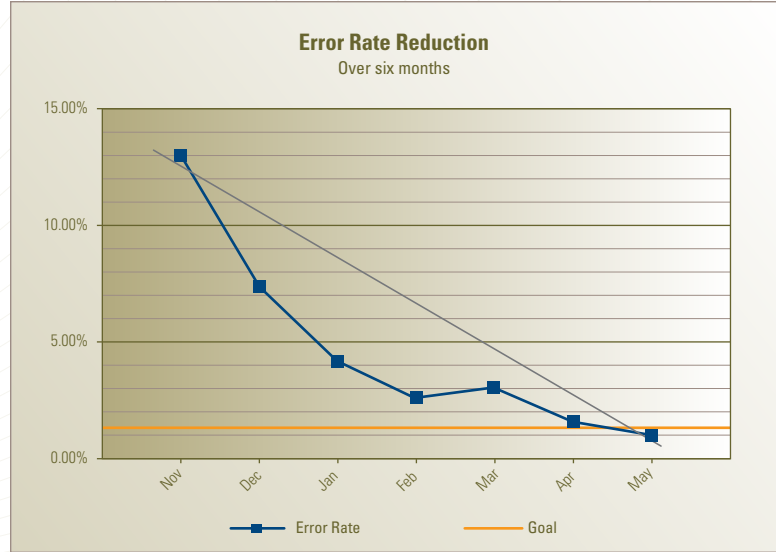
Performance improvements are key to member retention

“BlueCross BlueShield of Western New York used to think of itself as a claims processing organization instead of as a service organization. We did not adequately address quality issues such as providing accurate information and answers to our customers.”

— Daren Springer,
Senior Director, Customer Service
and Claim Operations Support,
HealthNow New York Inc.

According to Daren Springer, Senior Director, Customer Service and Claim Operations Support, HealthNow New York Inc., “BlueCross BlueShield of Western New York used to think of itself as a claims processing organization instead of as a service organization. We did not adequately address quality issues such as providing accurate information and answers to our customers.”

With consumer-directed healthcare changing the fundamentals of the business, the insurance industry must become focused on responsiveness to individual consumer members. Member satisfaction becomes paramount to business retention and growth. Moreover, with pressures on margins and the need for solid loss ratios, high levels of claims payment accuracy are essential. If a payer is reworking claims due to poor quality, its administrative expense ratio suffers. For BlueCross BlueShield of Western New York, putting a stop to all of that meant enacting performance and process improvements across its entire service operation, from claims to enrollment to medical and provider network management.



Improvements in quality measures, such as providing accurate information and answers to members, are key to member satisfaction.

COPC Inc. understands healthcare's unique return on investment (ROI)

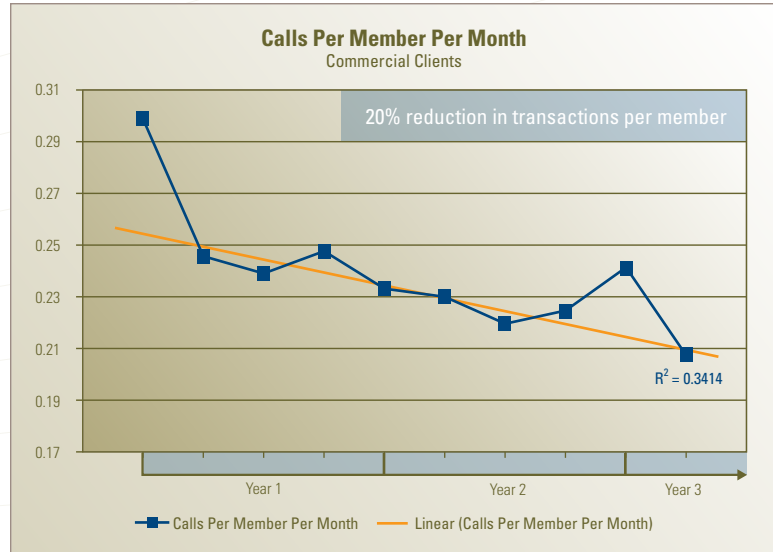
ROI is typically a measure of financial returns. When evaluating investments for healthcare, however, a strictly financial approach doesn't work. In a healthcare context, the definition of ROI must include other equally important measures, such as service to consumers and quality outcomes.

COPC Inc. helped boost service to customers in just one year

BlueCross BlueShield of Western New York's work with Customer Operations Performance Center Inc. (COPC Inc.) began the performance improvement process with a COPC® Customer Service Provider (CSP) Baseline Assessment. The CSP Baseline Assessment revealed both the extent and root causes of the organization's performance and process issues. After the assessment, BlueCross BlueShield of Western New York decided to take the next step on the road to improving performance—meeting the requirements of the COPC-2000® CSP Standard.

According to Paul Valley, Operations General Manager, achieving certification to the COPC-2000® CSP Standard resulted in service-level improvements in all areas—processing accuracy in claims, turnaround times in medical management, speed of client setup, and higher service levels in member services. These service-level improvements in turn resulted in member satisfaction improvements, increased quality metrics, and reduction in service costs per member.

The COPC-2000® CSP Standard is the first and only certification standard designed specifically for the needs of service operations. It's part of the COPC® Family of Standards, the industry's first Performance Management and Certification Framework. Today, it remains the most rigorous and only high performance set of global best practices and performance metrics that simultaneously increase customer satisfaction and profitability.



BlueCross BlueShield of Western New York is also reaping the benefits of improved service including fewer inquiries to handle.

“We believe that because of the improvements we have seen in quality, service, and cost, the ROI of this investment is one year or less.”

— Pauline Cataldi,
HealthNow’s Senior Vice President,
Commercial Programs Customer
Service & Claims Operations

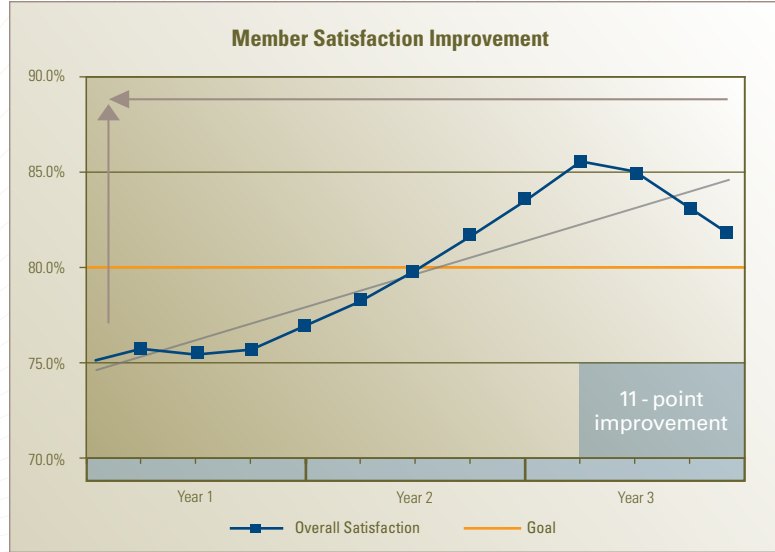
Quality improvements in all areas led to better service and lower costs

Improvements in upstream processes had a clear and positive effect downstream. Specifically, BlueCross BlueShield of Western New York saw fewer calls per member per month. Valley believes that the intensive management-training program implemented by COPC Inc. contributed greatly to performance improvements in all areas. Just as important, staffing costs for servicing members decreased after the organization put the COPC® Framework in place—it now takes 35 percent fewer full-time employees to support a member.

Improved performance continues today

Today, BlueCross BlueShield of Western New York, which now does business as HealthNow New York Inc., has achieved recertification to the COPC-2000® CSP Standard Release 4.0 for CSPs at *both* of its service centers in Buffalo and Albany that handle large account customer service.

“We are very pleased about maintaining our certification to the COPC-2000® CSP Standard,” said Pauline Cataldi, HealthNow’s Senior Vice President, Commercial Programs Customer Service & Claims Operations. “It is a reflection of our continuing efforts to deliver the best possible service to our members and providers and our ongoing efforts to exceed their expectations.”



Using the COPC-2000® CSP Standard—the first and only certification standard designed specifically for service operations—BlueCross BlueShield of Western New York saw member satisfaction improve.

About BlueCross BlueShield of Western New York

BlueCross BlueShield of Western New York is a division of HealthNow New York Inc. Headquartered in Buffalo, New York, HealthNow is one of the Northeast's leading healthcare insurance companies, with annual revenues exceeding \$2 billion.

About COPC Inc.

Customer Operations Performance Center Inc. (COPC Inc.) is the world's leading authority on service-chain operations management, including performance improvement for buyers and providers of customer service, customer contact center, and business process outsourcing operations. Since 1996, COPC Inc. has helped more than 1,000 organizations in 50 countries improve customer service by using the COPC® Family of Standards, the industry's first and most comprehensive set of performance management operating models for customer service operations. Today, it remains the only performance-driven and industry-governed global best practices model that simultaneously increases both customer satisfaction and profitability. Global clients include Accenture, Apple, BT Group, Citigroup, Convergys, Genpact, HP, Lenovo, Microsoft, NTT, Sony, Telefónica, and Wipro. For further information, visit www.copc.com.



The COPC® Standards Committee

In 1996, COPC Inc. and a core group of global service, contact center, and BPO thought leaders came together to develop the industry's first Performance Management and Certification System for Customer Service Providers (CSPs). The COPC® Standards Committee meets biannually to review and modify performance requirements to reflect the industry's evolution.

Today, the COPC® Family of Standards has evolved into a comprehensive set of Performance Management Frameworks for CSPs and Vendor Management Organizations (VMOs) while remaining the most rigorous, and only open, high-performance set of global best practices and performance metrics for service operations. Current and past members include Accenture, American Express, Apple, BlueCross BlueShield, GM, Intel, LLBean, Microsoft, Motorola, and TransWorks. COPC Inc. works closely with the committee to bring the benefits of the COPC® Family of Standards to the global service operations industry.



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