

# Global Health Care Provider Recovers Annual Premium Losses Attributed to a Lack of Business Data and Rules Governance While Improving Customer Experience

The client had an abundance of data and rules inconsistencies across its pre-sales systems and processes that resulted in extensive pricing errors and lagging quote turnaround time. They needed an industry expert to help provide standardization and governance to streamline processing and eliminate errors.

**Company:**

Diversified health care company offering health care coverage and benefits services

**Industry:**

Health care

**Line of Business:**

Small-group health care

**Location:**

Global

**Challenge:**

A lack of standardization and governance of rating and pricing data and rules drove errors and inconsistencies in quote processing resulting in millions in annual premium losses. Additionally, a lack of understanding of detailed data lineage and impact made it difficult for the client to locate and remediate key issues related to rating rules and resetting of pricing.

**Services:**

Data Strategy  
Data Governance  
Business Process Assessment & Engineering

**Results:**

The client eliminated premium losses due to data and rules inconsistencies and improved quote turn-around time and customer experience.

**BUSINESS PROBLEM**

The client was experiencing small group premium losses exceeding \$4M annually due to data and processing inconsistencies across multiple rating systems and processes. To eliminate these losses, improve customer experience and operational efficiency, the client required a strategic partner to develop and execute a business strategy that standardized data, streamlined processing, and identified candidate platforms to replace legacy systems.

**ACTION TAKEN**

NEOS was engaged in developing and executing a strategy to catalog, rationalize, and standardize business data elements and business rules utilized in small group pricing. In parallel, NEOS was engaged to analyze, standardize, and streamline small group pre-sales processing and perform a candidate assessment for policy administration platform replacement. NEOS delivered:

- Rating and small group renewal business process flows to set the business context for the data and rules analysis
- A rating and pricing process assessment to identify inconsistencies and opportunities for efficiency
- Rating and pricing data policies, standards, and definitions to establish consistent usage and context between systems and processes
- A rating and pricing rules catalog classified by and linked to business process
- A domain model established to classify systems used to analyze and sort rules
- Legacy application models that set the technology context for processing interactions with multiple systems
- Legacy rating engine context model to depict the interactions with sub-set of the systems involved in the small group rating and renewal process
- Dependency diagrams to illustrate interactions
- Small group automation assessment that presented a meta-level of detail to explain how small groups are rated today
- Modernization options matrix that presents potential solutions in a matrix format with dimensional scoring
- Component level documentation generated by the Analysis and Reporting Tool (ART)

**THE OUTCOME**

NEOS delivered a governance process and capability for critical pricing data elements and rules and established consistent, streamlined pre-sales processing. NEOS provided the contextual and domain processing models to enable business impact and lineage analysis for pricing data and rules. Additionally, NEOS delivered three solutions to improve the current state while pursuing the long-term strategy by creating automation around actuarial rates eliminating manual entry, addressing the SNAP and PRDN testing error procedures to better classify error types and reduce redundant research, and the implementation of several process improvements that are not dependent on technology or automation.



HEALTH CARE



REVENUE \$5.7B+



30,000+ EMPLOYEES



FORTUNE 500