

## TLC Family Care Healthplan

### Healthcare Company Uses Project Management to Develop Online Claims Program

TLC Family Care Healthplan, the largest Medicaid-managed care program in western Tennessee, United States, operates wellness and disease management programs to help physicians provide the best quality care available to TLC members. This program includes low-income children, pregnant women and citizens with disabilities. TLC is part of AMERIGROUP Community Care of Tennessee, which has offices in Nashville, Tennessee, United States. TLC and AMERIGROUP Community Care—a subsidiary of Virginia Beach, Va.-based AMERIGROUP Corporation, serving 1.7 million members in 11 states—formally joined together change to 1 November 2007. Together, the companies work with healthcare providers to better serve the citizens of Tennessee. Memphis-based TLC has over 3,500 participating providers in its network throughout western Tennessee. With an organizational strategic goal of moving all claims submissions, filing and documentation to online form, TLC identified an opportunity to eliminate claims submitted via paper by creating a mechanism for providers to submit claims on the TLCOnline website. The organization decided to create a multidisciplinary project team composed of Project Management Professional (PMP)<sup>®</sup> certified project managers overseen by a Project Management Office (PMO). The PMO used *A Guide to the Project Management Body of Knowledge—Third Edition (PMBOK<sup>®</sup> Guide)* as an outline to create its own project management framework that could be used throughout the project lifecycle. Completed within the established budget, the project successfully reduced the number of paper claims from 10,000 to 6,000 a month and saves the organization US\$15,120 annually in processing fees.

#### Background

For years, TLC Family Care Healthplan has provided many online tools to healthcare providers through paper processing. The goal of Online Claims Submission was to enhance online functionality for providers and provide them with a way to use TLCOnline to submit new claims and appeal existing ones. Ultimately, the organization sought to eliminate paper

claim processing completely by providing an avenue for claims submission other than through a clearinghouse or via paper claim submission. The organization established a Project Management Office to provide a consistent approach to project management across the organization by using the *PMBOK<sup>®</sup> Guide's* project management framework. The PMO also ensured adequate prioritization of the project in light of the entire portfolio of projects for the organization.

#### Challenges

During the Online Claims Submission project, an competition for time and resources became a significant challenge because two additional online projects—updating and revising the website and claim matching process improvements—were taking place at the same time.

#### The Solution

With the competition for time, manpower and other resources among the three different online projects, dependencies needed to be identified to keep all three projects on time and on budget. The Project Management Office implemented a plan to integrate all three projects which included weekly meetings to review and prioritize each task. This kept the lines of communication open, which allowed project managers to inform others of any upcoming milestones where time and/or resources would be critical, and update them on any issues, concerns or opportunities that could affect the other projects. Following these regular meetings, meeting notes were distributed to the project's vice president of administration and monthly project status updates were distributed to the key stakeholders within the organizational leadership. Fully communicating with key stakeholders helped to alleviate any concerns over cost, time and/or personnel they might have had during the project.

The project commenced in February 2007, thus time management was a key issue if the organization hoped to meet the deadline of 1 August 2007. This deadline would allow

the organization to calculate fourth quarter data prior to the end of the year and predict results and cost-savings for the upcoming year. To keep team members aware of timelines and other important timeliness issues, the project schedule was reviewed during each project team meeting. In addition, TLC wanted to utilize all qualified and experienced personnel and so employed additional team leads in the claims department to provide expertise during crucial stages of the project. The team leads were responsible for providing the internal review of the claims submitted during beta testing to ensure that the claims were reviewed and processed appropriately. Any identified abnormalities were documented via the Quality Management process and reviewed for further action.

Prior to project commencement, the team conducted an initial risk assessment to address concerns or opportunities that could arise later in the project lifespan. This assessment better prepared the team to identify milestones or phases that could present delays, concerns or opportunities later in the project. Ongoing risk assessment at specific milestones was also conducted in order to address any issues or opportunities prior to escalation from that point. These evaluations often led to key findings, resulting in improvement initiatives such as improving inbound claims defects. Additionally, a post-project review garnered significant lessons learned that have been integrated into TLC's project management methodology and have served to improve the process for subsequent projects.

To prevent cost overrun, the project managers took an assessment of any opportunities or concerns in which cost-savings could or could not be implemented. This, along with risk assessment, ensured that there would be contingency plans in place, if needed. The project metrics were reviewed monthly by a quality systems oversight team that was charged with analyzing the cost/benefit for each project, prioritizing projects according to the cost/benefit analysis and addressing any potential changes to the initial goals.

## The Results

The completed project resulted in a 40 percent drop in paper-submitted claims, an increase in electronically-submitted claims and ultimately a cost-savings of US\$15,120 annually in processing fees. Further, the project's realized benefits include increases in claims accuracy and provider satisfaction with the claims process which is a key objective of the organization.

By successfully implementing the underlying principles of the *PMBOK® Guide*, and with the knowledge and expertise of a PMP® certified director and managers, TLC was able to develop an accurate online claims submission process on budget of US\$40,000 and finalize it within 60 days of the anticipated completion date.

## TLC Family Care Healthplan Key Achievements

- 40 percent reduction in the number of paper claims submitted per month leading to US\$15,120 annual savings in paper costs
- Overall claims accuracy increased from 89 percent to 97 percent, saving the organization on personnel time which allowed employees to spend their time on other projects
- Improvements to TLC's project management methodology, which will serve as an improved framework for future projects