

HEALTH CONTRACT MANAGEMENT SYSTEM

Client

Australian Health Service Alliance Ltd (AHSa) is a service company representing a number of small to medium size private health insurance funds. Core business functions include negotiating and managing hospital agreements, administering medical schemes on behalf of health funds, data management and integrated health management services.

ITeM Group has partnered with AHSa as strategic technical consultants since 2002. During this time, ITeM Group has successfully delivered a number of systems core to AHSa's primary business function and continue to be a preferred partner for all system development.



Business Challenges

AHSa has business partnership agreements with over 500 hospitals throughout Australia. These agreements cover the financial arrangements between patients of AHSa participating member funds and hospitals for services and procedures performed. The agreements with hospitals are negotiated regularly to take into account changes in costs, utilisation and efficiencies.

The hospital agreement structure is complex and encompasses all aspects of the billing arrangements between the hospital and the private health insurance funds. Each agreement contains one or more schedules that describe the services and procedures covered under the agreement. The schedule includes internally regulated items and external items from the Medicare Benefits Schedule and Department of Health guidelines. Each item has a fee structure which is determined by a payment model, which includes per-diem, stepped payment, case payment and usage-based fee structures.

AHSa required a system to manage all aspects of the complex and often drawn-out negotiation process including:

- CRM capabilities for correspondence with hospitals, hospital groups and funds
- Managing billing and financial details
- Maintaining and versioning internal and external item schedules and rates
- Creation, maintenance and versioning of hospital and group agreements and schedules
- Full audit and temporal data tracking (ability to view data and all reference information as at a date and time)
- Publishing data in multiple EDI and document formats (XML, ASCII, PDF, Excel, Word)
- Analytical modelling and impact analysis based on utilisation
- Monitoring of claim data received

Technical Environment



Prior to AHSa's engagement with ITeM Group, an in-house system based on SAS had been pieced together over a period of 15 years. Although functional, the technology was lacking capabilities and unable to grow with AHSa's agile business requirements. The complexities of the system and associated licence costs restricted the expansion of the user base, meaning that key staff were unable to work together for maximum efficiency. A more open and collaborative solution was needed.

A review of the available off the shelf solutions was conducted. Due to the complexity of the requirements and the cost to customise available solutions, the decision was made to partner with ITeM Group to build a bespoke solution in-house.

The Solution

ITeM Group was chosen to architect a solution which was user-friendly, effective and scalable, and to work alongside AHSA's internal developers. A cloud-based system was quickly identified as the best approach to support the growing number of users and provide a framework to deliver the complex and dynamic user interfaces required.

A framework based architecture was utilised implementing best practise modular design. The framework was designed to manage navigation, security, data access and all shared logic. Business functions

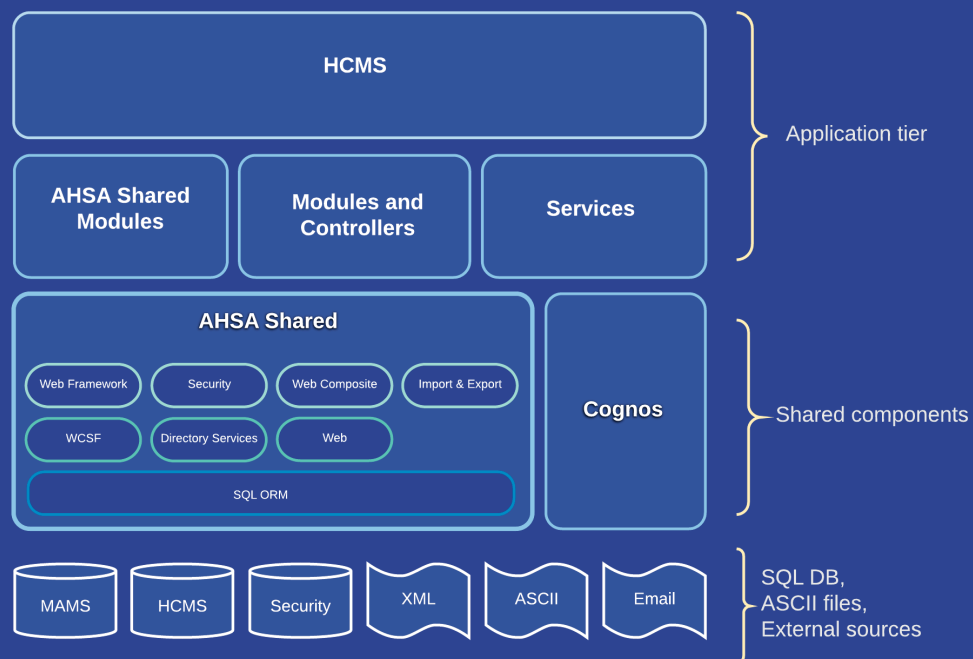
were separated into core modules, with each module focused on specific domain elements to enable parallel development.

Modules encompassed UI, presentation and business logic layers, each communicating via defined interfaces. This modular approach separated core business functions from UI layers which improved the maintainability of the solution.

The project was developed in an agile manner and delivered in stages. Each stage went through key phases including a workshop, training and user acceptance. The agile approach encouraged users to provide feedback and suggest changes to the design. Changes were reviewed and approved by stakeholders and incorporated into the solution.

The solution now provides a central repository for all aspects of the contract management process and consolidates several previously disparate systems. The single web interface provides users with the ability to navigate complex data models and access data quickly. Integration with external systems for workflow, data imports/exports and reporting provides a seamless user experience.

The system is a key asset to AHSA and continues to be expanded and optimised to manage their core business functions.



The Benefits

The tailored design and simple interface of the Health Contract Management System were well received by users as it allowed access to all information readily from a single portal, which significantly improved user collaboration. The AHSA can now effectively manage the negotiation and agreement creation process. The system has resulted in a reduction of agreement errors due to improved business process and data quality.

It was identified during the discovery phase that the system needed to support change and grow

with AHSA's business requirements. The modular approach has permitted many aspects of the system to be updated over time and has allowed the business to take advantage of modern practices including a responsive and dynamic UI, mash-up, SOA and integration with other web applications.

The system has grown with the business to incorporate many other data domains and continues to support AHSA's changing requirements and core business functions.