

QAT ENGAGEMENT PROFILE

BUSINESS PROCESS MANAGEMENT



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Client: Financial Consulting Organization

Project Duration: 10 months

Client Overview

The client is a small, woman-owned business. The core business involves performing financial, compliance, and internal control audits and other financial management accounting and consulting services for federal agencies and their contractors nationwide. The client has a wide variety of federal agency experience performing these audits and financial management services.

The Situation

The client is a designated national contractor responsible for processing retroactive healthcare and prescription transactions, hereinafter called Plans. The client, validates and processes retroactive payment adjustment requests for enrollment, disenrollment, and other changes. All requests submitted by organizations must be in accordance with the process outlined in the Standard Operating Procedures (SOPs) developed by the parent government agency. In addition, all retroactive adjustment requests are reviewed against the guidelines established in additional documentation from the government agency.

As the prime contractor, it is the client's responsibility to support program integrity efforts and to safeguard program funds by processing retroactive payment adjustments, reconciling the final payment for non-renewal contracts, performing monthly analyses of discrepancies and monthly certifications (Attestations), as well as providing daily support and training to several hundred organizations within the Program.

In spring of 2008, the client approached Q.A.

Technologies (QAT) to inquire about the possibility of creating a new system to control and support their business.

The Business Challenge

The drivers for a new system were many. There were several challenges related to the current solution. At its highest level, the client was seeking a more flexible solution and overall cost reduction.

Manual Processes – The current solution required the audit documentation to be hand delivered from point to point in the audit process. This was resource intensive and challenging to monitor. Because of this, any changes and/or improvements in the business processes were difficult to implement.

High Cost for Quality – Each person was required to judge the documentation and make several determinations as to the specific conditions of the audit. These resources were all trained in the same manner, but because of the human factor, it was necessary to have duplicate checks as well as other measures to maintain the consistency and quality required.

High Maintenance Cost – The application itself was costly and slow to maintain. Built on a Visual Basic platform the application was outdated and in the opinion of the client, in need of an upgrade. The turnaround time for application changes was slow and unable to keep up with the changes in the business. The cost to the client was also high because all changes required a development project that was estimated and performed in a traditional development lifecycle.

High Shipping and Document Handling Costs – The auditing function also required that each of the Organizations send their payment

information into the client via Federal Express for tracing purposes vs. using the less expensive US Post for delivery. The resulting shipping charges were high. This process also required staff to manually scan the documents for storage once they reached their office. On top of the actual shipping charges, HIPPA requirements also make it necessary for double envelopes i.e. a sealed envelope inside the FedEx envelope!



The HIPPA regulations also required that one employee stuff the envelope and another check the contents and shipping address to ensure that critical health information didn't mistakenly end up in the wrong envelope. This is time consuming and expensive.

The Solution

We needed to address both of the primary concerns, which were to increase flexibility and reduce overall cost.

As always, we started with a Business Requirements Specification to fully document the business requirements and goals of the project. One of the major business goals from this exercise was to improve the process

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and give the new product the flexibility to respond quickly to business changes without costly development efforts. Simply replacing the current application was not acceptable. The client had identified the fact that many of the current processes could be greatly improved with some careful thought. They also wanted to automate the document management as much as possible in order to reduce costs and speed up the turnaround time.

This solution automates the business processes using QAT Flow which allows the client's business experts the flexibility to change and enhance the processes in real time vs. managing and paying for a development project on each instance. The QAT Flow product, which also has its own database, was installed at the client. QAT Flow is used to manage the business process information, including the actual values being collected during those processes. However, QAT Flow is not used to store the corporate data. This corporate data is stored within the client's enterprise database. As each process is automated, the client's enterprise database is accessed to provide initial information for the processes and all of the data collected and derived by the process is integrated back into the client's enterprise database. Since all of the results of the processes are stored within the client's database, the QAT Flow database doesn't require long term storage or growth so the data can be cleaned and/or archived on a regular basis.

QAT Flow was used to automate every step of the audit process, including the ability to view the associated documents using a real-time document managing solution from DocLanding. QAT consultants built the initial processes as a team with the client and trained the client's business analysts along the way so they can manage future process changes on their own. QAT Flow was used to collect all of the data and sequence the next steps based on the results of each step using the automated user interfaces. The data is then integrated back into the client's enterprise database. This integration is handled through database services that are registered within the QAT Flow product. Once these services are registered, they can be reused across other processes by the

business analysts without the need for IT involvement.

A handful of hand written processes were developed as they were not candidates for work flow process automation. For example, when the Plans submit data electronically, they sometimes do that via spreadsheets. A manual process was written to analyze the spreadsheets and upload the data into QAT Flow where the process automation could begin. There were a few other similar processes written outside of QAT Flow, but all were tightly integrated with the automated steps.

In the past, the client had to maintain the IT resources, including the scanners, servers, storage and IT professionals required to manage the high volume of documents associated with the audit service they provide. This solution includes integration with the DocLanding service to store and index all of the associated documents. This integration allows the Plans to access their documents electronically via secured web access versus the client having to ship the documents for each communication. Although it doesn't require the Plans to upload their documents electronically, it is anticipated that a large percentage of them will start using the DocLanding service and avoid their shipping charges as well.

All of their audit processing is managed by QAT Flow even for manual inquiry processes. For example, some processes require that external government applications be accessed and/or updated. Sometimes these are part of an automated audit process and sometimes they are part of a manual process in response to an inquiry or some other request that

doesn't necessarily require automation. The client chose to route all of these processes, including the manual processes through the QAT Flow work queue so they have a full audit trail of every activity and an easy way to manage the accountability and work load of each individual. It also allows them to examine the processes for opportunities to improve and become more efficient.

The Business Impact/Result

This solution produced a number of positive

high impact results for the client, the parent government agency, and the participating Plans.

New Business – One of the most obvious impacts is the excitement within the client's organization about their new product. The new product has enhanced their competitive advantage by enabling them to be more agile in responding to opportunities and business changes. They realize that many of the services they provide can be improved through process automation. They have also realized that this new partnership with QAT and their keen understanding of process automation will be a competitive advantage as they compete for new opportunities. This enthusiasm has carried into other parts of their business as well. Because of the success and increased productivity the client has experienced with this project, efforts are underway to automate other functions of their business using QAT Flow.

Flexibility and Speed – Virtually all of the business processes are now automated. There is a major difference between this solution versus a more traditional application development approach. It's fast and very flexible, which translates into providing a better service for less.

The processes are developed using the graphical process modeling tool within QAT Flow and are executed in real time without a traditional development effort. As a result, those automated processes can be changed and/or enhanced by the business experts themselves. Any business expert with the right authority level can approve a change to the process and activate that process change at any date/time.

The database services are developed and tested by IT resources who are responsible for protecting the integrity of the enterprise data. However, the traditional development cycle that requires a development team to implement every change to the application is slow and full of communication and interpretation issues. This solution puts the business processes in the hands of the business experts and enables them to manage change quickly and effectively. It also allows IT to focus on the database

services vs. the application flow, which dramatically speeds the entire process.

Increased Productivity – Under the old system, it would take a fair amount of time for any given resource to reach a level of experience that allowed them to move quickly through the SOP's with the level of quality required by the client. The use of QAT Flow to automate the processes has decreased the gap between the experienced and the inexperienced because every step of the SOP's are automated. For example, an experienced resource may quickly identify a condition that dramatically reduces the work required. However, a less experienced resource may not recognize that condition until much of the work has already been performed. The automated processes will guide the less experienced resource to make the same conclusion at the right time in the process.

In the past, the client would sometimes have to hire new resources to manage specific tasks because they didn't have enough resources cross trained to manage a particular task. The introduction of process automation with QAT Flow has made it possible to use the same resources across multiple tasks because all of the processes are executed in the same manner. The client finds they are getting more done with fewer resources.

Reduced Training Costs – The cost of training the people has been dramatically reduced because they no longer need to be trained on the SOP's, meaning that they don't need to fully understand all the steps and business considerations before they're ready to work.

Of course, an understanding of the SOP's and business considerations will come with time, but they can be ready to work with just a little training on how to execute the process automation steps and any external applications.

Reduced Shipping Costs – Client shipping charges has been sharply reduced both in actual shipping costs and human resource time involved in preparing the packages. The client enters disposition report documents into DocLanding where they can be accessed by the participating plans the same day. The cost of this process is a fraction of those incurred before. In addition, the reports and other documents being shared with the government are also being done in real time via the DocLanding service.

Reduced Infrastructure Costs – Since all incoming and outgoing documents are now stored in the DocLanding service, the cost of the infrastructure and IT resources has been eliminated. This includes the hardware, software, and IT support to manage the servers used to store the documents.

Faster Turnaround on Services – The automation of the processes and the integration of real-time document management has cut days off the time it takes to get a disposition response back to the Plans and/or communicate with the government agency.

More Efficient Processes – The exercise of using QAT Flow to automate the processes naturally leads to discovery of new and better ways to be efficient in the business. The

processes are designed graphically, which makes it easier to see opportunities for improvement. In addition, the QAT Flow database that stores all of the details about a process, including who did each step, when it was done, what data was collected etcetera allows for analysis to be done that can easily measure productivity and/or identify bottlenecks in the process so improvements can be made.

The Environment

- ♦ .NET Web Forms for the interface
- ♦ SQL Server for QAT Flow and the client's Enterprise database
- ♦ Web portal for access and sharing of audit documents

Skillsets Leveraged

Business Analyst – For designing and building the initial processes with the customer.

.NET Developer – All of the hand written processes were written using .NET.

Flow Developer – A few changes were made to QAT Flow in this project to enhance the work queue and enable the client to use QAT Flow as the starting point for virtually all its processes.

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