

CBCA

Automates claims processing with regulation-compliant online transactions

Industry: Healthcare (Plan Administration)
Product(s): BEA WebLogic® Enterprise Platform (WebLogic Server™ and WebLogic Integration™), BEA Services
Partner(s): Sun Microsystems

Summary

CBCA automates health benefit claims processing using BEA WebLogic Integration, driving efficiencies by deploying a reliable, scalable application infrastructure that provides regulation-compliant transactions.

Problem: Need to automate business processes

CBCA needed to improve and simplify complex claims management processes and build on an infrastructure compliant with government regulations.

Solution: Integration and application infrastructure

BEA WebLogic Integration automates claims processing and provides regulation-compliant EDI integration.

Results

- CBCA generates approximately \$30 million of annual revenue, processing about 14,000 claims per day.
- “The ability to use technology to solve problems that others haven’t solved yet gives us a big advantage.”
- “[Due to compliance with regulations,] we’re able to execute on our strategy of acquisitions very well.”

Benefits

- “The platform’s ability to scale, which is already proven.”
- BEA WebLogic Integration data translators are compliant with government regulations, which gives CBCA a competitive advantage.
- “BEA’s integration capabilities enable us to increase the value to our customers by making complex processes easier.”



THE BUSINESS CHALLENGE

CBCA and its subsidiaries are administrators of health benefit plans for self-insured employers. The company partners with brokers and consultants to deliver online services that allow its customers to access health plan data in real time. CBCA's solutions can radically improve a company's ability to administer benefits plans and enables a company to have greater control over costs, better access to plan information, and increased employee satisfaction.

CBCA combines traditional call-center and claims-processing functions with an advanced Web site that allows unprecedented access to all areas of benefits administration. Employees, employers, stop-loss carriers, brokers, consultants, and providers have access to their health plan data anytime, anywhere. The company's real-time information hub serves more than 50,000 employees and dependents across the U.S.

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Complying with the U.S. Dept. of Health and Human Services and its Health Insurance Portability and Accountability Act (HIPAA) is an ongoing challenge for the healthcare industry. HIPAA is intended to reduce the costs and administrative burdens of health care by making possible the standardized, electronic transmission of certain administrative and financial transactions, which are currently carried out manually on paper. HIPAA also provides the U.S.'s first-ever standards for protecting the privacy of Americans' personal health records. All employers must comply with new HIPAA reporting requirements that must specify what coverage was applied for, and what was paid.

“HIPAA is having a tremendous impact on the healthcare industry,” said James Raby, VP of engineering at CBCA. Although the regulations are intended to reduce costs and administrative burdens of health care, many providers will have to change their systems to comply. “The amount of IT spending for HIPAA is going to be in the billions of dollars as people have to re-architect their systems.”

It is difficult from a technology perspective to comply by upgrading systems. As a result, small companies have merged or have been acquired by larger ones. CBCA needed a state-of-the-art business process infrastructure to be able to grow by acquisition and acquire smaller companies that couldn't afford to overhaul their infrastructures.

“Unfortunately there are a lot of different types of benefit plans, and it makes automation very difficult,” said Raby. “Our business is based on efficient processing of incoming claims, and we have to be more efficient than our competitors.”

THE BUILT ON BEA® SOLUTION

CBCA automates claims processing using BEA WebLogic Integration, and powers its sophisticated Web site transactions with BEA WebLogic Server.

“Integration is key,” said Raby. “We needed to drive these efficiencies by deploying an application infrastructure that allows us to automate business processes. The more claims we can automatically process without manual processing, the more efficient we can be. That’s what drives the efficiency of our business model and separates us from the competition.”

“We need a system that’s reliable, robust, and can scale with the revenues that are coming in. We believe that the BEA platform can do that.”

Claims generally come in on paper or through Electronic Data Interchange (EDI) for adjudication and pricing. BEA WebLogic Integration and its Business Process Manager (BPM) processes claims using either an EDI queue or OCR (optical character recognition) for paper claims.

“What brought us to BEA initially was reputation in the marketplace,” said Raby. “Taking the best-of-breed approach is important to us. Our customers have faith in us because we adhere to standards and use best-of-breed software.”

BEA WebLogic Integration data translators are HIPAA compliant, which gives CBCA a competitive advantage. “We’re able to meet the standards, such as HIPAA, that the industry expects,” said Raby. “These companies are very willing to sell to us right now because they know they have to upgrade their IT infrastructures to deal with HIPAA, and so we’re able to execute on our strategy of acquisitions very well,” said Raby. The architecture ensures that EDI transactions are in compliance with HIPAA regulations.

“The ability to use technology to solve problems that others haven’t solved yet gives us a big advantage. BEA has proven to be the correct choice.”

“BEA’s integration capabilities enable us to increase the value to our customers by making complex processes easier. They work well with WebLogic Server, and we were able to deploy it in three months.”

THE RESULT

CBCA already generates approximately \$30 million of annual revenue, processing about 14,000 claims per day. The company serves more than 100 employers representing more than 200,000 employees and dependents throughout the U.S. “One of the key reasons we selected BEA was the platform’s ability to scale, which is already proven” said Raby. “We hope to get to

\$100 million in revenues this year, and we need a system that's reliable, robust, and can scale with the revenues that are coming in. We believe that the BEA platform can do that."

"Our market has very small margins," explained Raby. "The ability to use technology to solve problems that others haven't solved yet gives us a big advantage. BEA has proven to be the correct choice. Over the last year we've added new services and BEA has grown with us as a technology provider, expanding the platform. We can see the direction we're heading in, and BEA is already there."



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