

Creating Business Value through the Automation of Mail Handling, Order Fulfillment and Remittance Processing

Case Study

BENEFITS

- *Increased productivity*
- *Reduced call center staff*
- *Streamlined operator training*
- *Improved read rates on checks*
- *Fewer downstream check rejects*
 - *Automated document sorting*
 - *Simplified scanning jobs*
 - *Optimized use of barcodes*
- *Reduced physical document storage*

Humana Inc., headquartered in Louisville, Kentucky, is one of the nation's largest publicly traded health and supplemental benefits companies, with approximately 14 million medical members. As an international full-service benefits solutions company, Humana offers a wide array of health and supplementary benefit plans for employer groups, government programs and individuals.

Over its history, Humana has consistently seized opportunities to meet changing customer needs. Today, the company is a leader in consumer engagement, providing guidance that leads to lower costs and a better health plan experience throughout its diversified customer portfolio. Among its consumer services, Humana provides mail order pharmaceuticals -- the focus of this case study.

THE CHALLENGE

Receiving orders for prescriptions through the mail can create processing challenges. At the time of this study, orders were typically comprised of five items, which may include the envelope, an order form, two prescriptions, correspondence, and a check -- a tall order for most document scanning solutions. At Humana, mail needed to be counted, opened, scanned and filed by noon each day. Most days, Humana processed an average of 11,000 orders in a six-hour window, with the company receiving mail twice each morning.

Humana's first attempt at automating the processing of mail orders was a solution that combined automatic mail extraction and scanning in the same step. The problem was the justification for this solution was based on the advertised machine cycle rate, and the actual rate was far slower. What's more, having mail extraction and scanning together created processing bottlenecks; operators tried to pre-prepare orders to increase productivity, but this didn't solve the problem and created other inefficiencies.

"The obvious solution isn't always the right one," Michael Mahar of Humana RightSourceRx, says of the company's decision to implement an integrated document extraction and scanning solution.

What Humana needed was a more cost-effective solution that could better manage fluctuating volumes, minimize hardware investments for both extraction and scanning, identify documents automatically without relying on separator sheets, and reduce staffing requirements -- all while ensuring high customer satisfaction. Complicating matters, Humana had minimal IT resources available and limited floor space for document retention. To accomplish all of this, Humana knew that it needed a solution that would provide more flexible image capture, automatically process checks, make better use of barcodes on the documents, and provide productivity reporting.

THE SOLUTION

Humana found the answer in a solution that split up mail extraction and scanning.

The benefits company selected Agissar as its vendor of choice for automated mail extraction. Humana implemented four Agissar devices, which minimized the company's hardware investment while maximizing throughput. The devices included integrated productivity reporting software.



For scanning, Humana implemented two ImageTrac® high-speed devices from Birmingham, Alabama-based ibml. The ImageTrac includes an open track design and pockets for document sorting. It also features dynamic image enhancement and in-line intelligence to minimize manual tasks. With the ImageTrac scanners, Humana can define documents in a transaction -- for instance, automatically detecting envelopes or using MICR or OCR technology to process checks -- allowing the company to destroy three-fifths of the paperwork from mail order transactions.

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In addition, the ibml scanners are integrated with Humana's back-end data capture system, allowing the company to seamlessly pass information in a timely manner to accelerate order fulfillment. Humana wanted zero changes to the back-end system processing orders and prescriptions. This meant that ibml had to recreate the output file coming from the integrated extraction and scanning system. The conversion was done seamlessly.

Any documents that can't be destroyed are stored in a vertical carousel for easy retrieval.

THE RESULTS

By implementing a solution that provides high-speed mail extraction and high-speed scanning, Humana now processes up to five times as many orders per hour with one less operations shift and nearly 75 percent fewer full-time equivalents (FTEs). This has been accomplished largely by reducing the amount of manual tasks and paper handling required with its old integrated mail extraction and scanning system.

Humana's old scanning process required operators to place one document at a time on a transport to be scanned. To distinguish a prescription from other documents that come in the mail, an operator then had to manually trigger a sensor. Moreover, the inherent design of the integrated scanner produced an image that challenged the ability of Humana's data capture system to read barcodes on order forms and perform optical character recognition on checks; this resulted in more exceptions than anticipated.

"The lesson is to test and verify manufacturer performance claims with live documents," Mahar says.

With the ImageTrac scanners, operators can process over 12,000 pages (representing 24,000 images) per hour. Humana also achieved its goal of improving on the image quality of its initial solution, in turn, reducing downstream exceptions. The ibml high-speed scanners provide much sharper and clearer images. What's more, Mahar points out that the ImageTrac scanner has the built-in "smarts" to automatically detect different form types and apply the appropriate logic, in turn, improving downstream processes.

As a result of replacing its in-line mail extraction and scanning solution with Agissar equipment and high-speed scanners from ibml, Humana has achieved significant business benefits while consistently meeting the turnaround expectations of its members. Key benefits include reducing call center staffing requirements, streamlining employee training, achieving better read rates on check data and reducing downstream rejects, automating document sorting, and reducing physical document storage. Additionally, ibml's in-line document classification has simplified Humana's scanning jobs.

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"Humana is all about 'Perfect Service.' We realize that our members have a choice, and the service we offer is critical to our customers' satisfaction and Humana's success," Mahar concludes. "FTE savings can justify process improvements, but our business is to satisfy our members. By moving to a solution that combines high-speed mail extraction and high-speed scanning, we have the best of both worlds. We are proof positive that hardware task specialization improves performance."