

perot**systems**®

# HARVARD PILGRIM HEALTH CARE



Oracle® Applications and IT  
Delivery Outsourcing

Using deep business consulting and implementation expertise, Perot Systems optimizes key Oracle products and services to drive business success.

### Key Benefits

The Oracle-based benefits achieved at Harvard Pilgrim have enabled enormous improvements in business processes, decision-making, and competitive edge.

- Established a single chart of accounts creating a unified view of the business
- Reduced time needed to close books by 30 days
- Created a multi-purpose web portal delivering targeted content and services for brokers
- Automated the payment of sales commissions to brokers and provided online access to statements
- Delivered online training programs

### Challenge

In early 2000, Harvard Pilgrim Health Care was forced into temporary state receivership protection after 1999 losses reached \$227 million. When the new management team analyzed why the health plan was in deep financial trouble, they quickly identified an outdated, overburdened IT system as a primary root cause. Significant merger and acquisition activity throughout the '90s fueled rapid growth and created unprecedented IT challenges. As new organizations were brought into the fold through mergers and acquisitions, technology systems had not been integrated. The company was suffering significant inefficiencies due to the fact that they were operating 55 separate application systems and 4 non-integrated claims processing systems. The disparate systems without common interfaces made it all-but-impossible to set premiums, process claims, maintain records, and track financial performance.

### Solution

The dramatic turn-around at Harvard Pilgrim from those dark days in early 2000 to a robust health care organization today is a tribute to a visionary management team and tireless effort from associates at all levels. Harvard Pilgrim engaged Perot Systems initially from a strategic standpoint and then to help repair core IT infrastructure, claims processing, and application interface problems. Perot Systems became an integral part of the team, playing a critical role in every step of the recovery.

To transform operations, platforms were standardized, applications consolidated, and high-efficiency electronic processes implemented. For instance, tasks such as claims processing that often spanned weeks in the past are now completed end-to-end in days, hours, or in some cases minutes. A key element to success was the installation and management of the Oracle E-Business Suite and business automation applications that are maintained and managed by Perot Systems.

### Oracle Solutions

Early in the restructuring process, Harvard Pilgrim chose Oracle Financial Management to condense general ledger data and activities, and connect them to updated data storage platforms. The Oracle E-Business Suite, including the financial applications, was selected to provide managers with fast, detailed insight into costs and revenue so they were able to make better business decisions.

### Business Automation

Beginning in 2001, Oracle solutions have played major roles in enabling web-based business automation for Harvard Pilgrim. Perot Systems continues to have responsibility for the implementation, support, and ongoing maintenance and enhancements of the Oracle E-Business Suite, which is a family of applications that integrate and automate essential business processes, such as general ledger accounting, accounts receivables, and payables.

"The outstanding technical support that Perot Systems provides for our key Oracle solutions makes our business run more smoothly, which translates directly into greater operating efficiency and better overall service."

Deborah Norton  
Chief Information Officer and  
Senior Vice President of IT and Operations  
Harvard Pilgrim Health Care

The Perot Systems approach to managing the E-Business Suite and optimizing functionality on an ongoing basis revolves around a systematic and disciplined methodology. At the beginning of each year, Perot Systems collaborates with the Harvard Pilgrim team to lay out a strategy and schedule for upgrades. On a quarterly basis, new release modules are implemented to keep the system current and robust. Then weekly, both teams assess performance, evaluate results, and address current issues.

Perot Systems manages all statutory patching, break-fix activities, new reports, and enhancements. For cost-efficiencies, the Perot Systems global delivery capabilities are now used as an extension of the onshore team. Extended applications support provides extensive testing services, break-fix work, and custom development around CRM and other application integration. The Perot Systems team is also leading an initiative to re-platform to Linux for additional cost savings.

### *Online Portal*

With implementation assistance from the Perot Systems team, Harvard Pilgrim has added extensive web site enhancements driven by the Oracle Portal, a component of Oracle Fusion Middleware. The consolidated portal vastly improves data access, plan information, transaction support, and customer service. Most recently, Harvard Pilgrim rolled out the popular HPHConnect online service tool for brokers. This site centralizes

information about Harvard Pilgrim products and calculates commission statements to facilitate faster payment. These online services have substantially reduced the number of broker support calls received.

### *Records Privacy*

To meet HIPAA and the organization's own stringent internal security and privacy policies, the Oracle Portal protects the underlying database and provides role-based security protocols, which limit access to Protected Health Information (PHI). The inherent security in Oracle also helps safeguard a major application developed by Perot Systems that manages patient referrals and authorizations, and sometimes includes case notes.

### *Operational Data Store Project*

In a recent project supporting Harvard Pilgrim's new Enterprise Data Warehouse, Perot Systems used the Oracle Relational Database Management System (RDBMS) to design, architect, and build a transaction staging area between the production data and the data warehouse. The RDBMS serves as an Operational Data Store (ODS) hub that processes transient information en route to the data warehouse.

### **Award-Winning Success**

In May of 2008, Perot Systems and Harvard Pilgrim were named by the Outsourcing Center as the "Best Partnership" in the distinguished 2008 Outsourcing Excellence Awards. Sponsored by the Everest Group and *Forbes* magazine, these awards honor the most outstanding outsourcing relationships worldwide. Perot Systems and Harvard Pilgrim were selected by a panel of industry experts after a rigorous review of all components of the relationship structure as well as outcomes achieved.

"This award illustrates what an extraordinary partnership Harvard Pilgrim and Perot Systems have. Perot Systems is committed to Harvard Pilgrim's success, and that commitment has enabled us to improve our level of service for our customers while achieving significant operational efficiencies," states Charles D. Baker, President and CEO of Harvard Pilgrim.

## About Harvard Pilgrim

Harvard Pilgrim is a not-for-profit health plan that provides a variety of benefit options and funding arrangements to more than one million members in Massachusetts, New Hampshire and Maine.

For the third consecutive year, Harvard Pilgrim Health Care is the #1 commercial health plan in America according to a joint ranking by U.S. News & World Report and the National Committee for Quality Assurance (NCQA). The November 5, 2007 edition of U.S. News & World Report ranks the nation's best health plans and determined that Harvard Pilgrim continues to lead the country for member satisfaction and quality of care. Harvard Pilgrim has topped the U.S. News/NCQA America's Best Health Plans list\* every year since 2005. The U.S. News/NCQA America's Best Health Plans 2007 list is drawn from NCQA's Quality Compass® 2007\*\*, which publicly reports comparative results of more than 314 commercial health plans covering more than 70 million Americans.

For more information about solutions for your business or organization, contact us:

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## Results

The technology enhancements and process improvements implemented over the past several years at Harvard Pilgrim have streamlined the business while delivering new services to members, medical providers, brokers, and employees.

### Business Benefits:

- Made significant improvements in decision-making
- Aligned business processes and tracking of financial drivers
- Provided employees with anytime/anywhere web access to business applications
- Streamlined claims transactions to clear massive backlogs
- Simplified work flow with standardized applications and interfaces
- Helped transform the business back to financial stability

## Oracle Solutions

Perot Systems has been at the forefront of advising, implementing, and managing technology upgrades for Harvard Pilgrim, many of which include Oracle Applications. In addition to the high-efficiency E-Business Suite, Perot Systems supports other powerful Oracle modules that address project accounting, payroll, cash management, treasury, human resources, employee training, regulatory compliance, and other business functions, such as:

**CRM**—Perot Systems developed and implemented custom CRM applications for Harvard Pilgrim, and the solution was extended to provide customer rating and quoting capabilities unique to the healthcare payer segment.

**Grant Management**—Harvard Pilgrim uses the Oracle E-Business Suite to streamline management of government grant projects by automatically tracking time and expenditures for reporting to sponsoring institutions.

**Training**—Harvard Pilgrim uses Oracle *iLearning*, an online application that saves money on mandated HIPAA training. Plus, the module is used to educate the sales force on new product offerings, as well as for delivering employee competency training.

## Together, the Harvard Pilgrim and Perot Systems teams are managing, maintaining, and optimizing multiple Oracle Applications:

- Oracle Application Server
- Oracle Portal
- Oracle Single Sign-On
- Oracle Database
- Oracle Consulting Services
- Oracle E-Business Suite
- Oracle Financial Management
- Oracle Human Resources Management System
- Oracle Payroll
- Oracle Fixed Assets
- Oracle Incentive Compensation
- Oracle *iLearning*
- Activity Based Management
- Grants Accounting
- Oracle Labor Distribution
- Oracle Time and Labor
- Oracle Project Accounting
- Oracle Purchasing
- Oracle Self-Service Benefits
- Oracle Sales Online



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\*America's Best Health Plans is a trademark of U.S. News & World Report.

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