

Managed care organization leverages advanced analytics to become an information-driven enterprise

Cobalt Talon delivers enterprise information strategy and business intelligence

The client is a leading managed care organization that provides health coverage to approximately one million customers. Facing pressure from national vendors, the client identified the need to leverage its information resources to remain competitive in the market. The client's vision was to create an information-driven enterprise, enabling the business to improve operating performance and proactively manage its relationship with members, employer groups, and healthcare providers. The client partnered with Cobalt Talon to define a data strategy and build an enterprise data warehouse to support these objectives.

Business and technology challenge

The client's vision required the integration of data from multiple systems and databases scattered throughout the organization. Without an integrated information resource, the health plan was unable to monitor costs, segment customers, or manage risk. It also could not provide reliable information to key constituents. Plan members and other business partners were increasingly pressuring the client to deliver information to support informed health and financial decisions. New value-based products and services would enable the client to meet the needs of its customers and partners and respond to competitive pressure from larger national health plans.

Cobalt Talon conducted a detailed examination of the client's business, technical, and data requirements, including interviews with more than 100 executives. The evaluation found that information analysis lagged behind business activity by as much as eight months, and business analysts spent most of their time locating, validating, and integrating data—not analyzing it.

Solution

Cobalt Talon developed a strategic vision for information management, mapped to a phased implementation plan for the enterprise data warehouse. The program consisted of three major elements:

- **Organizational alignment:** A newly created Information Access Division (IAD) brought business and IT leaders together into a single organization charged with managing information as a corporate asset. The IAD included a business intelligence competency center, data acquisition team, and information asset management team.
- **Information architecture:** Cobalt Talon designed and built an enterprise data warehouse, integrating data from more than 20 source systems in 16 departments. The solution delivered end-to-end data capabilities, incorporating data modeling, ETL architecture, metadata definition, and data governance. The data architecture was designed to scale efficiently, adapt to changing business requirements, and deliver long-term sustainable value.
- **Business enablement:** Building on the integrated data architecture, the Cobalt Talon team implemented a sophisticated business intelligence (BI) and analytics solution. The BI solution offers dramatic improvements in information access and analytical power, enabling users to focus on business analysis rather than data aggregation. In addition to improved analysis and decision making, the solution enables healthcare analytics applications, including disease management, predictive modeling, and physician pay-for-performance programs. Externally, hundreds of healthcare

providers and brokers use the system to access member information; and roughly 500,000 policyholders log on to the member web site to manage medical and pharmacy claims.

Results

- Improved care delivery: The new healthcare analytics solution offers dramatic improvements in predictive modeling and member risk assessments. Previously, the client directly managed only 4 percent of its member population. Now, it can actively manage potential member risk for 100 percent of its members—and reach out proactively to help improve their health, resulting in improved care and decreased costs.
- Reduced cost of care: The enterprise data warehouse enables new care management and risk modeling applications, driving new efficiency in care delivery. The client estimates that reductions in medical and pharmacy costs alone will equal \$10 million in annual savings.
- Increased operating efficiency: The client spends nearly \$4 million each year contracting with disease management vendors to identify and manage at-risk patients with serious health conditions. The enterprise warehouse's care management capabilities will enable the plan to move these services in-house, saving an estimated \$2.5 million annually.
- Increased IT efficiency: The client's team of business analysts are able to shift from data administration tasks to true analysis of information sourced from the enterprise warehouse. The client expects to save \$600,000 per year in direct costs while dramatically improving the quality and impact of business analysis.
- Organizational transformation: The Cobalt Talon solution enables the client to fulfill its vision of becoming an information-driven enterprise. With a reliable enterprise information resource and a professional staff dedicated to managing data as a corporate asset, the client is able to reengineer business processes and proactively engage with customers and partners.

Technologies

- Database: Teradata
- Warehousing tools: Pentaho Open Source
- Business intelligence: MicroStrategy