Lean, High-Speed and Digital:

DATAMARK Transforms a Mail Center for a Leading U.S. Health Insurance Provider

Case Study

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The Challenge

DATAMARK’s Business Engineering team was engaged by a Fortune 100 health insurance provider to transform one of its mail centers where high volumes of claims are received and processed daily.

The existing mail center was not meeting its potential due to a dated physical layout that made workflow inefficient. Additionally, the center’s legacy software needed to be upgraded to a digital mail platform with state-of-the-art Optical Character Recognition (OCR) technologies for forms classification and automated data capture.

DATAMARK Business Engineering Analysis

With the ultimate goal of delighting its client, DATAMARK’s Business Engineering Department conducted an analysis of existing operations by bringing together all pertinent stakeholders for a complete redesign of the mail center, from its physical layout to the software platforms used to process claims forms and supporting documents.

Stakeholders included the clients’ management and operations teams, as well as DATAMARK mail center managers and operators, who were engaged as subject matter experts to achieve a goal of a complete transformation and radical improvement of mail center workflow and output.

The “before” state of the mail center—high-level processes, sub-processes, and use of legacy software platforms—was documented in a highly detailed manner. The “before” snapshot of the mail center was shared with all stakeholders to collect input and valuable institutional knowledge before taking the first steps of a complete transformation to a state-of-the-art digital mail center with efficient, automated workflows.
**Kaizen Event**

After evaluating the “before” state of the mail center with input from all stakeholders, the DATAMARK Business Engineering team launched the transformation with a Kaizen-5S event. Kaizen and 5S are classic methodologies for continuous improvement of workplace organization, popularized by Japanese manufacturing organizations. Kaizen and 5S can be applied to any workflow with step-by-step processes, including engineering and business management.

DATAMARK’s Kaizen event dramatically transformed the physical layout of the mail center, eliminating wasted “travel time” across the facility and significantly reduced the number of physical touches required for mail processing. The transformation of the physical facility also included the removal of unnecessary equipment and workstations, freeing up space for future "value-add" activities, including downstream document processing and business-decisioning workflows.

The illustrations below show the “before” and “after” layouts of the mail center facility resulting from the Kaizen event, with red arrows depicting the physical flow of work through the process.
Process Reengineering

Another component of the mail center transformation included a redesign of all process workflows, using Lean methodologies to eliminate wasteful manual touches. The goal of the process redesign was to ensure that any document touches were “value-add,” and that no information would be lost or inaccessible in individual “silos.”

All improved processes and sub-processes were documented with detailed, step-by-step instructions, and the Business Engineering team delivered training support to mail center management and staff on the new workflows. Creating documentation for each process and establishing a methodology for staff training ensures there will be no dropoffs in quality or efficiency as new DATAMARK staff are added to the mail center.

The illustrations below are examples of “before” and “after” production workflow improvements that DATAMARK’s Business Engineering team achieved using Lean methodologies:

![Production Workflow Before](image)

![Production Workflow After](image)
Automated Digital Mail Center Platform

No business process transformation would be complete without the implementation of software platforms to introduce automation while improving the quality of classification and data capture from healthcare claims forms and supporting documents.

DATAMARK’s Business Engineering team introduced a proven, state-of-the-art digital mail center software platform to perform auto-classification of claims forms and automated capture of information on forms and supporting documents.

The patented software platform applies multiple Optical Character Recognition engines on every scanned form to accurately capture information in each field of the form.

In addition, the digital mail center software platform applied robust OCR capabilities to envelopes, which allowed scanning operators to use envelopes as document separators. This eliminated the need for costly “patch sheets,” which are normally used as separators for a series of scanned documents.

Data Analytics

The introduction of the digital mail center software platform introduced an additional benefit of rapid, automated capture of data that will be useful for leveraging Business Intelligence to continually improve the clients’ business-process workflows. The wealth of captured data will play an important role in quality monitoring, data-mining, and other useful data-analytics initiatives desired by the client.
Results

DATAMARK’s Business Engineering team transformed a DATAMARK-managed healthcare claims mail center by using Kaizen-5s and Lean methodologies to successfully reengineer the physical facility and its business-process workflows.

In addition, by successfully implementing a state-of-the-art software platform, the client now has a “digital mail center” for receiving, processing and managing healthcare claims forms and supporting documents.

Benefits delivered to the client include:

- Overall cost reductions of 20 to 40 percent by using an outsourced offsite mail center business model, managed and staffed by DATAMARK employees.
- An immediate 10 percent improvement in business process workflow output after a 5-day Kaizen event.
- Increased facility space by removing unnecessary equipment and workstations. This frees up space for future “value-add” activities, such as downstream document processing and high-skill business decisioning, such as claims processing and bilingual, multichannel customer-contact services.
- Improved data collection for data-analytics initiatives aimed at continuous business process improvement and improved customer care.
- Transformation to a “digital mail center.” The implementation of a state-of-the-art digital mail center platform incorporating multiple OCR engines allows automated classification of healthcare claims forms, improved speed and quality of data capture, and improved ability to capture information useful for Business Intelligence.
- Increased quality through automation. Less human decisioning delivers more reliability throughout the workflow.
- Decreased risk of variance and exception handling by reducing the number of touchpoints throughout the workflow.

Ultimately, the client was delighted with the transformation of the healthcare claims mail center. As manager and operator of the clients' business process, DATAMARK is committed to providing ongoing support and consulting services to ensure continuous improvement of the mail center operation.
About DATAMARK

DATAMARK™, Inc. is a leading provider of digital mail center management, data entry, document processing, business process re-engineering and consulting solutions, and multichannel customer contact center services for Fortune 500 companies, government agencies and other large organizations.

Founded in 1989, DATAMARK is the strategic business process outsourcing partner for Top 10 companies across several industry sectors, including transportation and logistics, healthcare, insurance, banking and financial services. With onshore and offshore centers, DATAMARK delivers process optimization, technology and Enterprise Content Management solutions to help organizations achieve efficiency and profitability in all back-office business functions.

For more information on how DATAMARK can reduce your organization's operating costs while improving efficiency, flexibility, and customer satisfaction, call 800-477-1944 or email info@DATAMARK.net.

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