

NASCO helps BlueCross BlueShield put consumers in control.

Overview

■ **Challenge**

Provide health-insurance plan members with more control over their benefits

■ **Solution**

Web self-service applications to help determine claim status and manage personal healthcare spending accounts

■ **Why IBM?**

Strategic relationship with IBM because of IBM's expertise in e-business and in the healthcare industry

■ **Key Business Benefits**

Savings in administrative costs; increase in member satisfaction; increase in revenue growth



In addition to leveraging IBM software, hardware and services in its multifaceted insurance solutions, NASCO also employs IBM ease-of-use guidelines in its user interfaces to provide a satisfying Web experience for plan members.

As an IT infrastructure provider, Atlanta, Georgia-based NASCO® (National Account Service Company LLC) stands out as an organization that drives innovation in the health insurance industry. Many BlueCross BlueShield (BCBS) plans use NASCO (www.nasco.com) to process nearly 90 million claims annually, serving more than 1,200 employer accounts with more than 7 million members. But claims processing is only a part of the 200-employee firm's responsibilities.

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—Mark Barnard, CIO and Vice President of Operations and Software Development, NASCO

Key Components

Software

- IBM WebSphere® Application Server Advanced Edition, Version 3.5
- IBM WebSphere MQ, Version 5.2
- IBM WebSphere MQIntegrator®

Servers

- IBM UNIX®-processor based servers
- IBM @server zSeries™

Services

- IBM Global Services
 - IBM Atlanta Center for e-business Innovation
 - IBM e-business Hosting™
 - IBM Strategic Outsourcing
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By providing a technological infrastructure that enables new products to be created and integrated quickly with its backend claims processing system, NASCO can help BCBS plans serve their members' needs, granting them ever-increasing control over their health plans. This reduces members' reliance on their plan's administrative personnel, saving valuable time for both members and plans. NASCO also delivers flexible e-business tools that offer a higher level of convenience to healthcare consumers. In offering such products, NASCO gives BCBS companies an edge in the highly competitive health insurance industry.

For example, before the automation provided by a NASCO product, members often struggled with hard copy, e-mail and fax documents whenever they wanted to obtain the status of a claim or up-to-date deductible balances. "We realized that using manual systems to answer members' queries was not only time-consuming—it was also costly and inefficient," says Mark Barnard, CIO and vice president of operations and software development at NASCO. "We had to provide a Web-based solution to be more responsive to our customers."

Prior to the Web-based solution, NASCO created an infrastructure that enabled access to its backend systems through an enterprise application integration layer. This single hub of integration, called InterAct™, allowed developers to integrate new front ends by designing a single interface. Working with IBM Global Services and leveraging the InterAct solution, NASCO developed Healthcare Benefits Online™ (HCBO), a Web self-service application. HCBO lets members quickly resolve their queries online using a standard Web browser. With HCBO and InterAct, NASCO has become an e-business leader in the healthcare industry, increasing its BCBS customer base and reducing the cost of administering plans for its customers and for their employees.

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—Craig Fagin, Director of e-business, NASCO

Choosing a reliable e-business leader

Pleased with the work performed by IBM Global Services - Strategic Outsourcing in the development of InterAct, NASCO again turned to IBM Global Services and chose the Atlanta Center for e-business Innovation to develop HCBO. The solution is based on IBM WebSphere Application Server Advanced Edition, Version 3.5, IBM WebSphere MQ and IBM WebSphere MQIntegrator, all running on IBM UNIX-processor based servers. NASCO also outsourced the implementation, monitoring and management of the site to IBM e-business Hosting. "We chose the IBM UNIX-processor based servers because we wanted

a solution that would allow us to accommodate millions of users—with fast, foolproof performance,” says Craig Fagin, NASCO’s director of e-business. “And we decided to have the site hosted by IBM, because we needed a safe, reliable and scalable solution that could support our capacity needs as the site grows.”

By providing Web-based access to the information contained in NASCO’s processing system, NASCO enables plan members to be more in control of their healthcare decisions. “In 2 years, the user base for HCBO has grown from 1 plan to 8 plans, and from 150 members to more than 2.5 million members,” says Fagin. “Our e-business solutions have reduced our customers’ administrative costs, increased member satisfaction and provided us with a leading-edge solution for the foreseeable future.”

Helping boost member satisfaction

BCBS members can check their own claims status, verify deductible levels, locate physicians in a provider directory, learn about plan benefits and update personal information. The site is also accessible to employers’ human resources administrators seeking benefit information and to BCBS plan representatives helping members navigate the site.

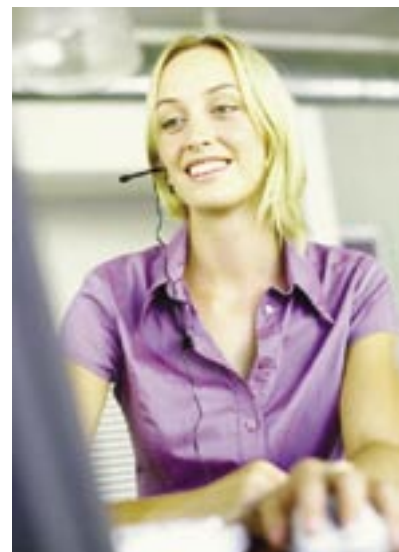
“IBM was a logical choice for us, because of its expertise in e-business and in the healthcare industry,” says Fagin. “By outsourcing our technology needs to IBM, NASCO gained the ability to focus on our core business, which is to develop new value-added services to meet the evolving needs of BCBS companies. IBM has provided a strong solution that our customers readily accepted and utilized.”

Creating new products for a changing industry

NASCO’s robust infrastructure provides an integrated, open-standards-based framework for responding to the needs of BCBS companies. By leveraging its InterAct middleware, NASCO, the BCBS plans and third-party partners can access the same information on NASCO’s backend @server zSeries systems and serve members with personalized solutions designed for individual plans. For instance, a number of BCBS plans have used NASCO’s member and claim data to populate their interactive voice response systems that provide member self-service.

“IBM and NASCO are working together to combine secure, responsive and flexible business models with Web-based technologies that can adapt quickly to a fast-changing business environment. And thanks to IBM, we can focus our abilities on what we do best, which is identifying and meeting our customers’ needs as they arise.”

—Craig Fagin



Customer service agents add a human dimension to NASCO’s online solution by helping members navigate their Web pages.

Another NASCO application, Consumer's ChoiceSM—a consumer-driven healthcare product for BCBS plans—also leverages WebSphere Application Server and the InterAct middleware layer to help plan members manage some of their own benefits. To create Consumer's Choice, IBM helped NASCO to integrate a third-party benefits administrator with HCBO. Members can go online to find the balance of their own personal healthcare spending accounts and make more informed healthcare decisions.

"NASCO recognizes that to grow during the next 15 years we need to be involved in new e-business functionalities," says Barnard. With solutions like HCBO and Consumer's Choice, we can provide real value to our customers and strong, dependable solutions for healthcare plan members. Working with IBM, we are able to move faster than our competitors to exploit the opportunities of e-business."

Providing a secure environment

Even with its many innovative services, NASCO could not succeed in the healthcare market had it not moved to harden its IT infrastructure in compliance with the Health Insurance Portability and Accountability Act (HIPAA) of 1996. NASCO leveraged WebSphere MQIntegrator and IBM's expertise to create electronic data interchange (EDI) capabilities in compliance with HIPAA, which provides customers a security-rich environment for transmitting information.

As a result of NASCO's commitment to creating a secure infrastructure for HCBO, the Web site's security and privacy measures meet or exceed those put forth in the HIPAA regulations. In fact, Cap Gemini Ernst & Young recently recognized HCBO as one of the leading Web sites for security.¹

"IBM and NASCO are working together to combine secure, responsive and flexible business models with Web-based technologies that can adapt quickly to a fast-changing business environment," says Fagin. "And thanks to IBM, we can focus our abilities on what we do best, which is identifying and meeting our customers' needs as they arise."

For more information

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¹ "A Survey of Payor Web Sites: How Health Plans are Using the Internet to Reach Customers," Cap Gemini Ernst & Young, 2002.