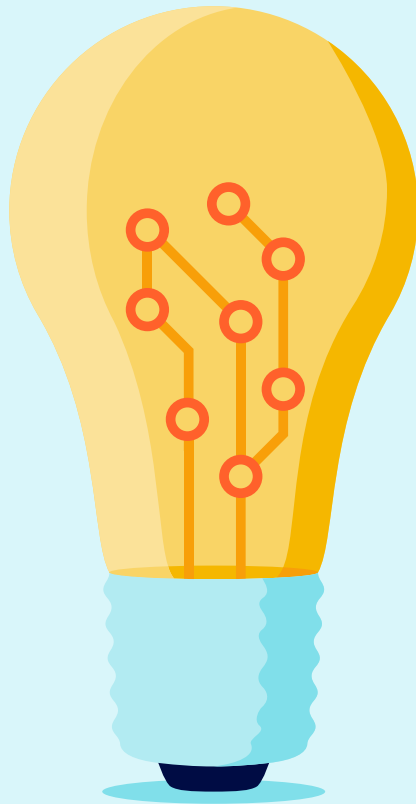**Optum**

E-book

# System modernization

## Strategies for growth and efficiency

# The need for innovation

Rising costs, pressure on the margins, increased consumer expectations and government regulations are putting pressure on your organizations. To keep up and achieve a competitive advantage, embrace technology-enabled innovations and move away from legacy systems and outdated technology.

Legacy platforms were designed for a different era and lack critical capabilities to enable scalable growth. While some organizations have tried to assemble solutions around these older platforms, these solutions often prove to be suboptimal, adding complexity and costs.

**You may be hesitant to embrace new technologies due to:**

- The cost, complexity and risk associated with implementing new software
- Concerns that deploying new systems may require rethinking business models, processes and job descriptions originally designed around legacy platforms
- Uncertainty caused by changes in the vendor community

## Take charge of your IT future

Some vendors may encourage you to move to their new systems. But it's important for your organizations to take charge of its own IT future.

This may involve pushing back on the vendor's recommendations. Embrace change as a means of driving digital transformation toward success.

### Here are some key factors to consider:

- **Look at alternatives to your existing system vendor.** Document your current and future requirements and evaluate various software applications before making a decision.

- **Evaluate multiple software vendors carefully.** Each product will have its strengths and weaknesses. Choose the system that aligns with your organization's specific requirements and objectives.

- **Product demos are not enough.** Go beyond the vendor's presentation and assess their capabilities based on your specific business scenarios. Require proof-of-concept demonstrations to ensure the software meets your needs.

- **Software capability is not enough without a solid implementation strategy.** Investigate the vendor's processes and methodologies for migrating your business to their platform. Understand your organization's responsibilities and explore the vendor's implementation track record.

- **Ensure the vendor's product roadmap and culture align with your organization's goals.** Consider future needs and make sure the vendor can accommodate them.

- **Confirm the vendor's long-term viability.** Start-up companies may have innovative technology, but they may also face high costs and strong competition. Avoid situations where the vendor discontinues the product or sells it to another company.

- **Replacing technology solutions is not easy and comes with risks.** Align with an experienced, unbiased third party to guide your digital transition. Optum Advisory has been helping health care organizations evaluate vendors and implement solutions for over a decade.

# The 4 pillars of success

Alongside these recommendations, consider the 4 pillars of success for effective core system implementation:

**1** **Implementation readiness**

**2** **Governance**

**3** **Business transformation**

**4** **Execution framework**

This will help your organization navigate the challenges of implementing new core systems and ensure a successful transition to a more efficient and effective health care environment.

By following this checklist, organizations can anticipate and overcome common pitfalls and ensure a successful transition to a more flexible and data-driven core system.

## 1

### Implementation readiness

- Clearly define the aims and objectives of the project.
- Identify key decisions that need to be made before moving forward.
- Scope the specific body of work that will be contained within the project.
- Define the roles and responsibilities of each team member.
- Establish a mutually agreed-upon project schedule.

## 2

### Governance

- Agree on key governance processes, roles and responsibilities.
- Establish a clear and workable communications strategy.
- Formalize status reporting and make it widely available.
- Define internal and external communication responsibilities.

## 3

### Business transformation

- Identify value chains for core business functions.
- Codify new workflows and procedures.
- Define new or changed roles and responsibilities.
- Develop training initiatives tailored to each role within the organization.
- Ensure steady, clear and transparent communication from project owners.

## 4

### Execution framework

- Strictly adhere to the implementation plan.
- Remain focused. When conflicts or problems arise, prioritize tasks.
- Emphasize the importance of flexibility to work around unforeseen problems.
- Focus on business requirements during requirements gathering.
- Define an integration strategy for system connectivity.

# Scalable growth through modernization and digital transformation

Here are examples of system modernization efforts that streamline operational processes, support market expansion and address consumer needs — while keeping up with evolving regulatory requirements and increasing competition.

### Operational efficiency and flexibility

- Implement reporting systems to collect and analyze medical data to ensure accurate and timely reporting for monitoring and response.

- Deploy enhanced capabilities for normative comparison, including the development of KPI benchmarks and benchmark types.

- Cut over to a new methodology and technology stack to support reporting and analytics.

- Enhance the accuracy and maintenance of member eligibility.

- Ensure adaptability to change and scalability for future growth.

- Develop web applications to support business processes, meet Medicare requirements and improve provider satisfaction.

### Market expansion and new markets

- Support expansion into the ACA market and establish efficient Facets configuration design, develop a backlog for rapid deployment, and ensure operational readiness for on-time, quality deployment.

- Deploy Medicaid plans in multiple states through development of benefit summaries, integration of applications into a platform for implementation, and configuration of Facets for plan deployment.

- Expand into commercial markets with the development of a roadmap for implementation and delivery of capabilities, identification of regulatory and technical requirements, and coordination with third-party partners.

### Meeting consumer expectations

- Develop a Joint Issue Management (JIM) system to seamlessly share issue data across all business units, optimize business processes and provide a consistent consumer experience.

- Successful implementation of ACA plans in multiple states, with the development of a capability and feature backlog, seamless member experience journey mapping and on-time go-live for ACA expansion.

# How we can help your organization

Our consultants collaborate to bring diverse expertise and a multilayered perspective to projects across the health care ecosystem. We have deep relationships across the industry and understand both the business and technology sides of the payer market.

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**To learn more about how system modernization can transform your health plan and enable growth, visit optum.com.**

## Advise the business

We help create a value story, complete with expected outcomes for the business. We demonstrate value through increased revenue, improved operational efficiencies, streamlined workflows and faster speed to market for new product builds.

## Understand the business

We work to understand your organization's unique goals and challenges, and focus on the areas that will bring the most value to your organization.

**Educate**

**Listen**

**Partner**

**Advocate**

## Share the risk

Your success is our success, our goal is to achieve the desired outcomes for your business.

## Influence and fix

We advocate on behalf of our clients and influence vendors to create essential capabilities and minimize custom coding as a workaround.

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