The Royal Children's Hospital partners with Protiviti's automation experts for dramatic enhancements to its health insurance claim process

Australia's health expenditure makes up 10.3% of the country's gross domestic product and is growing at a rate of AUD$181 billion annually, placing a spotlight on public health services and increasing pressure on them to manage their cash flow efficiently. To do so, healthcare organizations are increasingly reliant on an efficient health insurance claims process. Effective claim processing benefits healthcare businesses by improving cash flow, reducing operational costs, and improving customer satisfaction through better service quality.

Due to traditional manual processing methods, however, healthcare claim processing cycles tend to be long, tedious and ridden with a potential for error. The repetitive nature of the process also makes it one of the least enjoyable activities for healthcare staff, providing little motivation for efficiency or speed. Fortunately, activities like this are ripe for robotic process automation (RPA). Implementing RPA can relieve staff from manual work while helping to significantly reduce claim processing time, lower operational cost and improve the accuracy of each claim, as one of Protiviti's clients recently discovered.

The Royal Children's Hospital (RCH) is an Australia-based specialist pediatric hospital that has been improving the health and wellbeing of children and their families for 150 years through leadership in healthcare, research and education. The

RCH provides health offerings in 26 specific lines of care, from allergy and immunology to urology, as well as broader services to the public that include tertiary care, health promotion, prevention programs, pediatric rehabilitation, palliative care, forensic pediatric services and hearing screening for infants.

The health insurance claim process at the RCH has historically been a very manual and time-consuming activity, with staff processing an average of 1,500 invoices monthly. The sluggish processing affected the cash flow of the hospital and was identified as an area of improvement by the hospital's chief financial officer (CFO).

To improve the efficiency of the claims process, the CFO engaged Protiviti to develop and implement an automated solution that would reduce staff's reliance on manual labor.

Steps to Automation

Protiviti approached the job with a well-organized approach and methodology, which included four key steps: 1) assessing current-state processes; 2) identifying business rules and control points that could be automated; 3) identifying potential process improvements; and 4) optimizing existing procedures. In Step 2, Protiviti looked for and identified automation opportunities across all claims-related processes and applications, ultimately resulting in 80% automation of the workflow.

Automated claim processing

26
inpatient
departments
automated

90%
of invoices
were processed
by a bot

9%
reduction in
rejected claims

Processing time
reduced from
5 minutes
to
1 minute

3
applications
accessed by
the bot

24x7
RPA
solution
availability

115+
manual
hours per
month saved

9
general business
rules per department
automated

265
business rules
automated

Risk Mitigation

In addition to optimizing and automating the existing processes, Protiviti ensured that the RPA solution effectively mitigates the risk of claim error. All RPA activity is captured automatically in an audit log for the billing team to access when required. The audit log includes invoices processed, when they were processed, and any changes made to the invoices. By reviewing the log, billing staff can confirm the accuracy of the processed claim and address any exceptions if necessary.

Throughout this engagement, the RCH claims staff and representatives from the IT department worked side by side with Protiviti, performing process walkthroughs with us to identify opportunities to automate and streamline the existing process. This collaborative relationship was leveraged during the enablement sessions we provided to ensure that the RCH billing team was able to confidently operate the RPA solution after it was implemented.

Value Delivered

The end result of the automation initiative was a remarkable, 80% reduction in manual effort for the claims staff, and 265 business rules were automated, which led to a reduction of more than 115 manual staff-hours per month. There was also a considerable 9% reduction in the number of rejected claims. Finally, implementation of the bot reduced claim processing time from 5 minutes to 1 minute all whilst being available 24/7 and maintaining a robust and consistently accurate process.

Claims processing is not the only area where RPA can be deployed to drive innovation, boost operational efficiency and enable staff to focus on more complex activities. A return on RPA investment is best achieved when automation is viewed as a program across multiple functions. For the RCH, it was claims processing that proved to be a suitable initial candidate for automation due to its large volume across 26 departments and manual and repetitive nature. An added benefit in this case was in the direct boost to the hospital's cash flow. The achieved efficiency delivers confidence to both the executive team and patients that the hospital is a competent and responsible participant in the Australian healthcare market.

The Royal **Children's**
Hospital Melbourne

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