



CANON BUSINESS PROCESS SERVICES, INC.

MAIL SERVICES

MAIL MANAGEMENT

HEALTHCARE

CASE STUDY

/\$1 million
Reduction in mail management costs during the first year

A Future Built on Improvement and Care

Canon Business Process Services Supports Healthcare Leader's Commitment to Quality



A multi-billion-dollar global integrated health enterprise operates 20 academic, community, and specialty hospitals and 400 outpatient sites, employs more than 3,200 physicians and offers an array of healthcare and health insurance services. In 2007, the healthcare leader contracted with Canon Business Process Services to help it improve operations and reduce costs connected with its mail management processes. Since that time, Canon's relationship with the healthcare provider has expanded significantly to now include a wide variety of document management processes that support the organization's vision of building a future based on creative ideas, continual improvement and quality care.

THE CHALLENGE

The healthcare leader initially needed a service provider to help it improve non-core but critical document management processes. The Canon solution would enable the organization to focus more time and resources on providing state-of-the-art patient care and health insurance services. The document processes potentially spanned a range that included production mail activities to better manage healthcare statements for the organization's insurance services division, which has grown to almost 2 million members in the last 10 years.

The first challenge was to improve the disparate mail management system that distributed critical mail throughout the enterprise. The healthcare organization had more than 10 different mail-room operations managed by multiple vendors within its hospital network. Because these centers operated separately, an unacceptable number of mail pieces were either lost or not delivered in a timely fashion. The lack of coordination also meant that mail management costs were higher and operational efficiency lower than desired.

Based on its many years of proven expertise delivering managed services and applying Six Sigma-based performance management methodologies, the healthcare leader selected Canon Business Process Services as its partner to improve operational efficiency and drive future success.

THE SOLUTION

Canon consolidated the disparate mail-rooms within the hospital network into a centralized "hub and spoke" model. In the new operation, all mail was received and distributed from one location. Cost savings from the new mail program totaled \$1 million in the first year. By year two, Canon also assumed management of the healthcare provider's transportation logistics program, which, at the time of the transition, included 16 different courier companies picking up and delivering biopharmaceutical and related items within the hospital network. Canon consolidated this program into one centralized courier operation that is comprised of 55 vehicles making more than 2,000 stops daily. Cost savings from the revamped transportation logistics program totaled \$700,000 in the first 12 months.

Canon provided the healthcare enterprise with a variety of services, which enabled the organization to focus more time and resources on providing state-of-the-art patient care and health insurance services.

THE RESULT

- + \$1 million reduction in mail management costs during the first year
- + \$700,000 in cost savings in 12 months due to the revamped transportation logistics program
- + 1.5 million statements produced and mailed per month spanning health plan, patient billing and physician services
- + \$200,000 reduction annually in production mail costs spanning health plan, patient billing and physician services
- + 20 percent reduction in document management costs associated with the open enrollment function
- + Enhanced efficiency and lower costs due to improved pre-sort mail program

Next up for Canon was implementing a comprehensive production mail solution, which automates the production and mailing of customer healthcare statements for the health plan division. The mail processing system, which handles about 1.5 million statements per month, feeds and merges mail statement enclosures, then folds and inserts the collated documents into an envelope and seals, addresses and transports the mail piece for processing by the USPS. The system's tracking technology improves job control and integrity as well as end-to-end quality assurance. This includes preventing errors such as mailing a document set that has missing pages, diverting jammed mail pieces out of the mailstream and inserting mail pieces that include protected health information from several different clients into a document set.

The healthcare provider leveraged Canon's Six Sigma expertise to continuously improve production mailing processes and its print center operations. Canon mapped existing processes and identified areas where potential problems might occur. Based on its findings, Canon recommended implementing technology, management processes and a reporting system, all designed to prevent mailing errors and equipment malfunctions and create end-to-end accountability.

Based on the success of the production mail system for health plan statements, the healthcare provider engaged Canon to use the system for managing billing statements that cover hospital patient and physician services. This function totals approximately 750,000 statements per month. Under Canon's management, combined costs for the health plan and patient/physician services billing statements were reduced by \$200,000 annually.

In addition to providing this wide range of services, Canon recently added two more. The company now oversees document management activities for the healthcare organization's open enrollment function. This spans assembling and mailing all of the forms and documents associated with annual open enrollment. Canon's management has enabled the healthcare enterprise to reduce document management costs for open enrollment by 20 percent. In addition to handling open enrollment, Canon was assigned as general manager for all pre-sort mail services, enabling the healthcare leader to lower mailing costs due to Canon's expertise in leveraging pre-sort mail programs offered by the USPS.

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ADVANCING BUSINESS PERFORMANCE TO A HIGHER LEVEL

Canon Business Process Services, a wholly owned subsidiary of Canon U.S.A., offers managed services and technology for information and document management, business process outsourcing and specialty workforce services. We help clients improve operational performance while reducing cost and risk. Canon Business Process Services has been named a Global Outsourcing 100 Leader by IAOP for the past eleven years and recognized in the Gartner Magic Quadrant for Managed Print and Content Services for five consecutive years. We have also been acknowledged by CIOReview magazine as a "20 Most Promising Legal Technology Solution Provider."

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