



# Catalyst Solutions

## Business Process Outsourcing For Healthcare Payers

A Catalyst Solutions Whitepaper

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## EXECUTIVE SUMMARY

As an industry, healthcare has undergone enormous change. The landscape is dynamic, and new challenges are on the horizon. Mergers, acquisitions, and partnerships are occurring at an unprecedented rate.

Disruptive players like Apple, Google, and Amazon, have entered the market. And, of course, the government continues to introduce mandates to which the health plan must adhere.

These factors continue to add demands on plans that are already facing budgetary and resource constraints.

To manage these challenges, healthcare payers are increasingly outsourcing business processes. Just like organizations in other verticals, health plans are working to drive down costs and activities – but, more importantly, outsourcing also allows them to focus on what they do best, which is: improving the healthcare outcomes of their membership.

And this is where Catalyst Solutions can help.

With 22+ years of experience in the healthcare industry, we have broad and deep knowledge relating to payer technology and payer operations. We have commoditized the processes of what plans refer to as the back-office (e.g., claims, configuration, call center, enrollment) and the mid-office (e.g., Provider/Network Management, Clinical Management, Data/Analytics, Information Technology). This specialization allows us to perform these activities more cost-effectively and, with our scales of economy, enables us to scale to meet your business needs best.

Our customers find that the initial cost savings are significant, but the benefits go beyond outsourced labor and technology. We engage with you at a strategic level. We commit to long-term collaboration.

We invest in continual improvement to our people, processes, and technology – always looking for ways to innovate and produce business results that drive tangible results: hard-dollar cost savings, cost avoidances, and enhanced revenue streams.



ABOUT CATALYST

Catalyst Solutions helps health plans focus on four core areas: Business Process Outsourcing (BPO), technological optimization, operational efficiency, and strategic planning. In a high-

pressure and ever-changing industry, we guide health plans to simplify operations and technology for better resiliency and adaptability.

For more than 22 years, we have partnered with health plans with membership ranging from 1K to 25m across all lines of business. Our priority is to act as impartial advocates for our clients.

CATALYST SOLUTION FACTS



- 22+ Years experience with healthcare payers
- Woman-Owned
- Partner with Clients with All Lines of Business
- Clients Throughout the Country with Membership Ranging from start-ups to 25M

INTRODUCTION

Health plans are under enormous external pressures. They face budgetary restraints, technological changes, resource constraints, and globalization. These factors force health plans to take a closer look at their current strategies and business models.

There are activities that the health plan undertakes that give them a competitive edge in the marketplace; activities that provide value to members and providers; activities that improve healthcare outcomes. Those activities need to be the health plan's focus.

On the other hand, there are activities that the health plan must do that do not differentiate the organization or provide a competitive advantage. These processes are commodities. These processes, tasks, and technologies are best left to outsource vendors.

Successful health plans have learned to focus on a limited set of core processes and products. They maximize their competitive advantage by focusing on their core business. Anything that is not a core business can be outsourced to a trusted partner, like Catalyst Solutions.

BPOs – A QUICK BACKGROUND

BPO's have existed for decades. Originally, outsourcing was associated with the manufacturing industry – where manufacturers outsourced segments of a company's supply chain to partners – such as: raw materials, production, and distribution.

This allowed manufacturers to focus on their core business, while leveraging the scales of economy of their partners.





Catalyst Solutions helps health plans fulfill a myriad of operational and technological needs. The benefits of an outsourcing partnership net many benefits to the health plan, including lower operating costs, access to dependable subject matter expertise, and increased flexibility.

What makes Catalyst unique as an outsourcing partner is that Catalyst aligns its services offering to your business goals. We collaborate with you, bringing our 22+ years of industry expertise to anticipate your long-term needs. We become your trusted advisor and take responsibility for key business processes using new and innovative technologies.

Not only will we manage your day-to-day operations, but we will also strive to be the drivers of continuous improvements that provide your business with increased accuracy and efficiency.

Over Catalyst's long and successful history, we have built an array of partnerships with industry-leading technology vendors. We have invested in many of those technologies and can extend access to those tools to our clients. This enables clients to have access to technology that makes their business both more agile, more productive, and more cost-effective.

**CATALYST AS A BPO PROVIDER**

Catalyst Solutions offers a full-service BPO. Our team of fully-trained, US-based employees can deliver the operational and technology functions required by a health plan: Claims, Configuration, Call Center, Enrollment, Billing, Appeals and Grievances, Application Management, and Testing – and all these services come with Service Level Agreements and financial guarantees.

The talent and expertise Catalyst Solutions brings are just one component of the Catalyst solution.

Technology is expensive. Many plans do not have the capital to invest in the latest claims system or care management systems. They don't have budgets that allow them to procure 21st-century telephony or CRMs.

Catalyst can help here, too.

**THE SERVICES CATALYST CAN PROVIDE YOUR HEALTHCARE PLAN**



**BUSINESS PROCESSES**

The functions that can be outsourced to Catalyst include:

- Contact Center
- Claims
- Enrollment
- Finance/Billing
- Fulfillment
- Authorizations
- Medical Management
- Grievance/Appeals



**TECHNOLOGIES**

The technology solutions Catalyst can share with healthcare plans, include:

- Claims
- CRM
- Enrollment
- Pricing
- Telephony
- Authorizations
- Value-based Payments
- Analytics/Reporting

Catalyst works with some of the most innovative technology vendors in the industry – and we have acquired that technology for our BPO, meaning that we can provide plans access to our platforms and systems without the need for lengthy and costly implementations or expensive licensing arrangements.

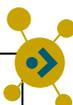
Clients can pick and choose the technologies that best meet their needs – and those solutions can be customized and configured to meet the unique demands of their members and providers – and, of course, all our technology is HIPAA-compliant. All our client's data is secure.

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## OPERATIONS

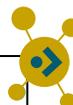
Catalyst's BPO allows you to contract specific, non-core business processes to us – your trusted BPO provider. We help you run your business, so you can focus on increasing your market share and client base.

Our BPO services enhance your product offerings and help you overcome talent shortages and resource constraints. At the same time, our scales of economy help keep your operating costs low. This enables you to focus on your core business and provides you with the flexibility you need to serve your customers best. In the back office, Catalyst solutions provides the following services:



### Member/Provider Call Center

- IVR contact intake
- Email contact intake
- Portal contact intake
- A&G contact intake
- HIPAA verification
- Benefit verification
- Eligibility verification
- Claims status verification
- Provider status verification
- UM status verification
- ID card requests
- Other fulfillment requests
- Member demographic updates
- Correspondence Reissues
- Pre-enrollment calls
- Issue tracking and resolution



### Claims Processing/Configuration

- Claim Intake
- Error/pend resolution
- Par and Non-Par Pricing
- Medical claim adjudication
- Dental claim adjudication
- Encounter processing
- Adjustment processing
- Accumulator tracking
- Capitation settlement
- Reporting
- Correspondences
- Paper claims receipt
- Sorting and prepping
- Imaging
- OCR/ICR
- Configuration



### Billing/Finance

- Billing/payment posting
- Account balancing/controls
- Billing summary/maintenance
- Payment adjustments
- Reconciliation
- Billing report resolution
- Check reconciliation
- EFT reconciliation
- General account reconciliation
- Waiver reconciliation
- Rating
- Taxes
- LPI
- Escrow
- Capitation reconciliation
- Fines
- Financial reporting
- PNL
- SAE/IRS Reporting



### Enrollment

- Product
- Members
- Billing entities



### Print/Mail/Fulfillment/Document Management

- Print and Mail (EOB's, EOP's, Letters)
- Paper Document Receipt
- Post-enrollment collateral
- Document storage and retrieval
- ID Cards
- Sorting and prepping
- Imaging (OCR/ICR)

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## CLINICAL OPERATIONS

Reducing administrative costs is one benefit from BPO, but progressive health plans can pursue outsourcing for more. Engaging Catalyst as a BPO for clinical operations can help drive optimized health program quality, leading to better healthcare outcomes and lower medical costs – both for the plan and the member.

Catalyst's team of clinical resources can provide the following outsourced services for health plans:



**Authorization Processing**

- Prior authorization (referrals/authorizations) of designated healthcare services
- Concurrent review activity
- Retrospective review activity
- Utilization of evidenced-based guidelines, policies and nationally recognized clinical criteria
- Medical necessity reviews



**Medical Management**

- Professional utilization management
- Spend analytics
- Cost containment
- Authorization management (appropriate care, correct POS)
- Case management
- Disease management
- Outbound/Inbound Call Center Support



**Appeals/Grievances**

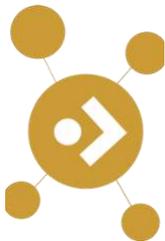
- Intake/processing of appeals and grievances within appropriate timelines (expedited vs. non-expedited)
- Appeals and grievances case tracking
- Acknowledgement/Resolution letters (timeframe compliant)



In the clinical operations space, Catalyst's BPO can help health plans to expand health management services, which allows payers to maximize the effectiveness of their outreach. This helps create a foundation for health plans to meet even bigger strategic goals. Using a BPO frees up resources to focus on clinical innovation and establishing new outreach services that better engage consumers and providers to improve health outcomes.

**TECHNOLOGY**

In our 22+ years of business, we have had the pleasure of working with some of the most innovative technology vendors in the industry. If your health plan is satisfied with your tools and platforms, Catalyst has the expertise to work in your environment. If your technology could use an upgrade, we can help. Catalyst has the luxury of selecting the best tools and platforms for our BPO – and we can share our solutions with you. Using our platforms helps you reduce the disruption of lengthy implementations and the costs of expensive licensing arrangements.



*Catalyst BPO can work on your existing technology*

– or –

*Catalyst can bring your plan the newest, best-in-class technology*



TECHNOLOGY OFFERINGS

Working collaboratively, we help our clients select the technologies that best serve their business and customers' unique needs. Our team of technology experts work with your business and technology teams to customize and configure the solutions you choose. Catalyst can offer you the following solutions:

Core Platform

<p><b>CLAIMS</b></p> <ul style="list-style-type: none"> <li>• Benefits</li> <li>• Claims Pricing</li> <li>• Claims Adjudication</li> <li>• Authorizations</li> </ul>	<ul style="list-style-type: none"> <li>• Accumulators</li> <li>• Financial Processing</li> <li>• Capitation</li> <li>• Value-based Payments</li> </ul>	<p><b>FINANCIALS</b></p> <ul style="list-style-type: none"> <li>• Billing</li> <li>• Collections</li> <li>• AR   AP   GL</li> <li>• Audit</li> <li>• Financial Reporting</li> <li>• Reconciliation</li> </ul>	<p><b>MEMBERSHIP</b></p> <ul style="list-style-type: none"> <li>• Groups</li> <li>• Members</li> <li>• Enrollment</li> <li>• Eligibility</li> </ul>
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Telephony

<ul style="list-style-type: none"> <li>• ACD</li> <li>• PBX</li> <li>• Call Recording</li> <li>• Softphone</li> <li>• SIP Trunk</li> </ul>	<ul style="list-style-type: none"> <li>• IVR</li> <li>• Workforce Mgmt</li> <li>• SMS Messaging</li> <li>• Live Chat</li> <li>• Chat</li> </ul>
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Self Service/Portals

<ul style="list-style-type: none"> <li>• Member</li> <li>• Provider</li> <li>• Agent</li> </ul>	<ul style="list-style-type: none"> <li>• Broker</li> <li>• Enrollment</li> <li>• Appeals/Grievances</li> </ul>
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Population Health

<ul style="list-style-type: none"> <li>• Utilization Mgmt</li> <li>• Care Mgmt</li> <li>• Disease Mgmt</li> <li>• Value-based Care</li> <li>• Population Health</li> </ul>
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Provider Management

<ul style="list-style-type: none"> <li>• Modeling</li> <li>• Contracts</li> <li>• Networks</li> <li>• Credentialing</li> <li>• Directory</li> </ul>
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Paper Docs

<ul style="list-style-type: none"> <li>• OCR</li> <li>• Scanning</li> </ul>
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Workflow

<ul style="list-style-type: none"> <li>• Human Workflow</li> <li>• Task Management</li> </ul>
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As you consider your new technology stack, you have peace of mind knowing your data is safe. Even as health plans face an ever-evolving landscape of malware, ransomware, and unauthorized access, the technology Catalyst provides is HIPAA-compliant – which means: the sensitive data of your membership is safe and secure.

MODULAR APPROACH VERSUS RIP-AND-REPLACE

If you decide that your current technology isn't up to the task, Catalyst not only has new solutions for you, but there are new ways to think about optimizing your technology as well. Many technology vendors promote a rip-and-replace approach. They want to remove your current system in favor of their newer system. In some cases, that can be the right decision – but in other cases, it's not. Sometimes, there are aspects of your technology stack that work fine and don't need replacing.

From a business perspective, rip-and-replace is messy. It doesn't just affect IT. It affects the whole health plan. Large-scale implementations tend to be expensive, disruptive to the end-users, and (usually) less effective than expected.

Therefore, Catalyst promotes a modular approach to system optimization when it is technologically possible and financially beneficial. We recommend inserting new modules into your existing infrastructure to boost the performance and efficiency you are looking to achieve.

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## IMPLEMENTATION AND INTEGRATION SERVICES

Making the transition from providing in-house services to outsourcing can be a big lift – and more complexity is added when that transition includes the introduction of new software tools or platforms.

With Catalyst's 22+ years of experience, you have access to the methodology we employ to help you understand how the transition to new technology impacts your business. We work side-by-side with you to synchronize your new technology with in-sourced and outsourced processes to achieve the future you envision.

Moreover, Catalyst's team of technologists will build a clean structure for easy management of integrated systems and interfaces. We will build solutions in which your relevant systems are coordinated with one another, whether you are using proprietary programs, off-the-shelf software, on-premise, and cloud-based solutions.

The Catalyst approach includes the following activities:



At the end of the day, you will have a fully operational solution that is ready to service of your members and providers.



Transitioning to a BPO or introducing a new technology can disrupt the health plan, the plan's partners and vendors, and their customers. We know change is hard. Change can have several unintended consequences, like diminished efficiency, decreased productivity, increased cost, employee disengagement, low morale, and increased turnover.

Catalyst's Business Readiness program helps mitigate that impact.

Business Readiness helps your resources understand the benefit of the change your plan is undertaking. It helps them understand changes to their jobs, ensuring productivity and efficiency are not adversely affected by your move to outsourcing or acquiring new technology.

Catalyst's Business Readiness is a comprehensive solution and covers the following aspects of managing change:





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## A STRATEGIC PARTNER

The most important consideration about outsourcing non-core functions is not simply around reducing operational costs. Catalyst seeks to maximize the performance of your health plan by taking a holistic view of people, processes, and technology. We engage with you at a strategic level. We seek to understand how your health plan works as a whole and how your processes operate from beginning to end. We align our outsourcing services to your business goals and use our industry expertise to anticipate your long-term needs. Our services don't end with outsourcing. We become your trusted advisor and collaborate with you in achieving a better future.

Catalyst believes true success in a BPO relationship can only be built on collaborative partnerships. Our mission is to extend our competencies and scalability to help your health plan focus on what really matters – so much so, that we are willing to build financially-based Service Level Agreements into our contracts. This means we put our skin in the game. Together we share both risk and reward.



## CASE STUDIES

Catalyst's BPO has made significant and positive changes for its clients. As a part of this white paper, we want to demonstrate samples of our successes.

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### CASE STUDY 1 – CLAIMS OPERATIONS, CONFIGURATION, AND MACHINE LEARNING

Catalyst provides outsourced claims processing, configuration, and a machine learning application to a mid-west client with just over 400,000 members. The health plan's lines of business include Commercial, Medicare Advantage, and Managed Medicaid.

Prior to collaborating with Catalyst, the health plan incurred annual claims-related expenditure of about \$16.5m annually. Once the claims work was outsourced to Catalyst, Catalyst conducted an exhaustive review and optimization of the health plan's configuration – and improved their auto-adjudication from 65% to over 85%. Additionally, they integrated Catalyst's machine learning solution, eliminating the need for human intervention in almost 92% of claims. These technological innovations, coupled with Catalyst's highly trained and highly efficient resources, reduced the annual cost to the health plan for claims operations by almost \$11m annually.

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### CASE STUDY 2 – CALL CENTER

Catalyst provides call center services to a client on the west coast with just under 100,000 members. The health plan's lines of business include Employee-owned/employer-sponsored, Individual and Family Health, Medicare Advantage, and Managed Medicaid.

Prior to collaborating with Catalyst, the health plan incurred annual call center-related expenditure of just under \$2m annually. This cost was inclusive of labor and suboptimal telephony. After a four-month implementation, Catalyst provided a team of experienced call center agents and leadership, workforce management, full audit capabilities, real-time monitoring, ACD with skill-based routing, IVR capabilities, computer-telephone integration with their core platform, and a full suite of reports/analytics.

Once the call center was outsourced to Catalyst, the health plan experienced improvements across the board; call handling time (23% improvement), average speed to answer (62% improvement), service level (9% improvement), and post-call wrap-up time (88% improvement). Moreover, the total annual savings the health plan experienced was over \$1m.

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### CASE STUDY 3 – CLAIMS PROCESSING

Catalyst provides outsourced claims processing to an east coast client with just under 600,000 members. The health plan's lines of business include Employee-owned/Employer-sponsored, Individual and Family Health, Employee Assistance, Medicare Advantage, and Managed Medicaid.

Prior to collaborating with Catalyst, the health plan incurred annual claims-related expenditure of about \$13.4m annually. Once the claims work was outsourced to Catalyst, the health plan experienced an increase in claims processing productivity of almost 22%. The total annual savings was just under \$740k.

Moreover, Catalyst contributed as a strategic partner. Not only did we clear out the client's aged inventory and perform COB adjustments as mandated by the state, but we also undertook an effort to optimize the client's processes, driving additional efficiencies – and provided recommendations to their configuration that (1) kept the plan compliant with regulations and (2) optimized their auto-adjudication rates.

### CONCLUSION

The external forces placing pressure on the health plan are numerous. The challenges posed by financial and budgetary restrictions, resource constraints, and technological changes are unrelenting – and it is these demands that require health plans to take a hard look at their current strategies and business models.

To be successful, health plans must focus on their core business: delivering affordable healthcare that improves the lives of their membership. Anything that is not a core business should be outsourced to a trusted partner, like Catalyst Solutions.

Catalyst Solutions has 22+ years of valuable industry perspective, specialist skills and a scale of resources that only health plans can afford to employ internally. Back and middle office outsourcing is our area of expertise. It is where we make our investments. We are constantly

striving to better our people, processes, and technology and align those investments with your changing business needs.

Catalyst Solutions' full-service BPO offerings are 100% US-based, delivering several operational and technological functions required by health plans. Examples range from Claims & Configuration, Provider & Member, Call Center, and IT Help Desk.

Additionally, Catalyst can provide your health plan with innovative, new technologies. In its 22+ years of business, Catalyst has built a stack of tools and platforms that it can extend to health plans – and our platforms dramatically reduce your Total Cost of Ownership and the negative consequences of the implementation projects associated with introducing new technology.

Our customers find that the initial cost savings are significant, but the benefits go beyond outsourced labor and technology. We become your trusted advisor and collaborate with you in achieving a better future. We believe true success in a BPO relationship can only be built on

collaborative partnerships. Our mission is to extend our competencies and scalability to help your plan focus on what really matters: changing healthcare – making it affordable for your members and making the health of those members better.

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