Business challenge

After rapid growth resulted in difficulties meeting service standards for members and providers, Inland Empire Health Plan (IEHP) realized it needed to address many processes to improve efficiency and service.

Transformation

To improve provider and member satisfaction, IEHP embarked on a comprehensive Lean transformation journey with an IBM® Watson Health™ Simpler team. By empowering employees in departments across the organization to improve daily business processes, IEHP has seen significant efficiency, service and satisfaction improvements.

**Bradley P. Gilbert MD
MPP Chief
Executive Officer
Inland Empire
Health Plan**

Results

USD 41 million annual savings
across the organization

~ 90% decrease
in provider onboarding time–from 194 to 20 days

> 51% improvement
in employee engagement in the provider credentialing department in two years

Inland Empire Health Plan

Lean business transformation empowers employees, improves services

IEHP is the largest not-for-profit Medi-Cal and Medicare health plan provider in the Inland Empire area of California, and one of the fastest-growing health plans in the nation. IEHP serves almost 1.25 million members in San Bernardino and Riverside counties through more than 6,000 providers and with more than 2,000 team members. IEHP commenced operations in September 1996. IEHP has received local and national recognition and awards for its innovation, excellence and access to care for the low-income working residents of the Inland Empire.

"Simpler allowed us to get started and then put processes in place to sustain the improvements. And, through mentoring and coaching, build our internal capabilities to continue improving"

—Bradley P. Gilbert, MD, MPP Chief Executive Officer, Inland Empire Health Plan

Share this

Rapid growth leads to poor member support

Hard hit by the recession of 2008–2009, people in the area known as the Inland Empire of California faced some of the nation's highest unemployment rates, which resulted in many losing access to employer-sponsored health insurance plans. Subsequently, IEHP faced its first spike in membership growth as people turned to it for access to Medi-Cal and Medicare health plan services. The launch of the Affordable Care Act (ACA) in 2014 led to a further, precipitous rise in membership.

Dr. Bradley Gilbert, the Chief Executive Officer (CEO) of IEHP, recalls: "We had done staffing and membership projections in preparation for the ACA. We had what we thought were pretty good analyses that told us how many new members we would get, and what staffing we would need. But we and our expert consultants missed. We missed by about 50 percent. We grew substantially more than we expected."

The organization had hired new staff to meet the expected rise in membership, but it wasn't enough. "We had gone from being a fairly good size plan, manageable with our current structure and processes, and then all of a sudden we were a more-than-million-member plan," says Dr. Gilbert.

"We were having trouble keeping up with volume and it felt like we were just kind of throwing bodies at it. Just adding staff, adding staff," he says. "It exposed weaknesses in our processes."

IEHP faced issues ranging from member dissatisfaction with access to care to provider dissatisfaction with service delays. Rapid growth had also

---

"I'm a big believer in visual management. Just think about the visual of huddle boards …they're a great way to focus the team on metrics and deliverables. It's huge in terms of seeing every bit of progress on ourstrategy and for identifying underlying concerns."

—Bradley P. Gilbert, MD, MPP, Chief Executive Officer, Inland Empire Health Plan

---

produced a myriad of redundant and inefficient processes that lacked consistency, standardization and documentation. The organization aims to deliver quality, accessible and wellness-based medical care to members when they need it, and its growth-driven problems had a detrimental impact on its ability to fulfill its mission.

Knowing that simply continuing to add more staff could not adequately address all these challenges, Dr. Gilbert and the executive team tried to fix some of the underlying process issues. "We dabbled with Lean," says Dr. Gilbert. "We brought in some consultants and ran some value streams. We did some process improvements in 2–3 areas, but there was no sustainment plan. There was no structure, either from a visual management viewpoint or how to apply processes to maintain the improvements. Most of them faltered or didn't have the momentum, or just weren't kept up."

Because the organization's leadership had indeed seen some improvements thanks to Lean, they decided to perform a request for proposals (RFP) so that "rather than do some Lean things, we could become a Lean company," according to Dr. Gilbert. "We made the decision to go all in."

IEHP faced the challenge of implementing and institutionalizing personnel and process changes across a 2,200-person organization with multiple, interconnected business units. It needed an experienced Lean management system offering that could move IEHP from struggling with its expanded membership to empowering teams across the business to serve members and providers effectively and efficiently.

Lean transformation leads to process change

The leadership of IEHP fully committed to the Lean transformation of their organization and selected Simpler Consulting (now Watson Health Simpler) to effect the plan-wide transformation. Simpler and IEHP would focus their efforts on two critical areas: Provider Services and Member Services.

The Provider Services team was tapped as the first team to start on the Lean "adventure," as Susie White, Executive Director of Health and Provider Services at IEHP, calls it. "It was all about thinking about the provider experience and how that crosses through a health plan—where it starts, where there are barriers, where we have issues or opportunities," says White. The Simpler coaches "really helped us just to start to think about things and problem solve differently and not just jump to solutions."

The Simpler and IEHP teams started the Lean process with the provider call center, which, because providers call when something isn't right, is a critical touchpoint between providers and the plan. After working through typical Lean value stream mapping and analysis, the work quickly branched out into other health plan areas, including the medical services, claims and provider onboarding departments.

"We had an incredible backlog in our provider credentialing system," says White. IEHP had moved from a paper-based to an electronic provider onboarding process, which created its own, unexpected inefficiencies. "With a paper system, you could see paper piles on peoples' desks. You could see when you were getting behind. When we went paperless, you couldn't see the backlog." IEHP hadn't built in metrics to follow through on the new system, and the backlog continued to increase.

Simpler introduced a visual management system to help track provider credentialing. According to White: "It was completely transformational. We've gone back to the process a couple of times just to keep improving. But we've changed the organization's thinking around the whole onboarding process."

Even small changes make a big difference in efficiency and how departments manage their workflow. Recently, IEHP upgraded its core system. Anticipating challenges with adoption, the provider call center team implemented a simple flag system whereby employees could indicate that they needed supervisory help or intervention. "It was just rulers with colored triangles—red, yellow and green—but it worked," says Patricia Challenger, Provider Call Center Manager. It worked so well to identify where employees needed assistance that the group has added other flags, such as out-of-office. "Now I can stand up, look out, and I

CONGRATULATIONS TO OUR GOLD WINNERS!

can see when there's no issue going on—I see nothing but green flags," says Challenger. Or, if she sees numerous yellow flags, she knows there may be a problem with the system that she can quickly report to her directors.

"Lean changes the way that people work together. We've seen our engagement scores in departments go way up because people feel appreciated, valued as part of the decision-making process."

—Susie White, Executive Director of Health and Provider Services, Inland Empire Health Plan

This kind of visual management is a critical component of the Lean management system, and one that Dr. Gilbert strongly endorses. "I'm a big believer in visual management. Just think about the visual of huddle boards. There is probably a more effective way to do that technologically, but they're a great way to focus the team on metrics and deliverables," he says. "It's huge in terms of seeing every bit of progress on our strategy and for identifying underlying concerns.

The company also undertook several initiatives in Member Services. In one, Simpler and IEHP discovered that some members' eligibility information did not display correctly when the member had recently changed providers. This could mean a 3–4 hour wait for patients to be seen while IEHP updated the provider web portal, and often they would be turned away by the provider. By

empowering the right people in the organization to resolve this issue, members can now be seen by a doctor within minutes. Another area identified for improvement was interpreter services. The plan provides interpreters for many languages, but it was taking an inordinate amount of time to identify the interpreter and connect them with the member. By introducing Lean principles to the process, IEHP shortened the timeframe to identify, assign and deliver interpreters where and when needed.

In terms of improving employee engagement in the Provider Services area, White credits the commitment of the Simpler coaches and Senseis (consultants) to their work of transforming IEHP. "We've seen engagement scores go up because people feel appreciated, valued and part of the decision making. Without Simpler coaching us as leaders, it would have been very hard to get to some of the changes." More than 1,000 staff members participated in a recent company-wide "Lean fair."

Process transformation yields system-wide results

The Lean transformation of IEHP, guided by healthcare management subject matter experts (SMEs) at Simpler, has had a far-reaching impact in Provider Services, Member Services and on employee

engagement throughout the organization. The following are just a few of the most significant examples of measurable improvement thanks to new Lean management practices throughout the organization.

The critical provider credentialing process in Provider Services that used to take 194 days, or well over six months, now takes 20 days, or less than three weeks—a 90 percent time decrease. This gives members the access they need to new specialists and other providers in a timelier manner, so they receive care sooner. Claims resolution, where providers interact with the provider call center and the claims department, has improved significantly. The time to resolve issues with already paid claims has shrunk from 30–45 days to 1–2 days at most. Finally, the provider call center service level increased from 34 to 84 percent in just two years.

IEHP has significantly improved first-call resolution in the Member Services area, from 65 to 81 percent. This is also reflected in a higher level of member satisfaction: 97 percent in 2017. Validating proof of member eligibility is now completed in just 10 minutes instead of the previous four hours. These more efficient and effective processes have reduced overall Member Services transaction costs.

Cost savings abound across the organization. For example, IEHP now saves USD 41 million annually. Some highlights include:

- Pharmacy: USD 20 million annually, in part by increasing the frequency and quantity of formulary changes to better respond to frequent price changes beyond its control.

- Explanation of Benefits: USD 2 million annually by reducing auto-adjudication of claims with explanations of benefits (EOBs) attached.

- Discharge Planning: USD 1 million annually by implementing a wrap-around discharge planning process that includes the Utilization Management, Care Management, Pharmacy and Behavioral Health units to improve transition-of-care (TOC) functions.

Employee engagement and satisfaction have risen across the organization. The provider credentialing department offers a stunning example, with a 51 percent increase, from 66 to 100 percent engagement in two years. Most of the company's leaders—242 of the company's 272—have graduated from Bronze Leadership Training.

The entire company is involved in Lean, from the CEO down into the organization. At the 2019 annual Lean conference at IEHP, more than 30 separate work areas set up booths and presented their specific process improvements to the rest of the company. IEHP awarded Gold, Silver and Bronze prizes to the most innovative team projects.

Front-line employees and supervisors agree that the Lean process empowers individual employees and teams. As Patricia Challenger, the

provider call center manager, states, "We are constantly looking for ways to improve, and we're supported in the improvements that we want to make." She cites the numerous experiments in process improvement that her department has going at any one time as an example of how involved and committed employees are to the Lean system. "At the beginning, we had maybe 1–2 experiments," she says. After seeing how these little changes could lead to big improvements, her department of 45 people now does 12–15 experiments a month.

According to Brenda Barrera, a Provider Services Specialist, the biggest change since implementing Lean business practices is that, "now the team members have a voice in their own job. It's about being able to voice my opinion and having it heard. I've seen it shown in various experiments we've tried, and they've worked. So it definitely empowers." In one case, her workgroup took a 70-slide training presentation and reduced it to a single, interactive visual aid.

According to White, the empowerment story doesn't end there. "At IEHP we really care about our people, and so I think Lean helps us identify new leaders from within the organization." Lean management puts control into the hands of staff, and lets leaders focus on coaching and mentoring. "I think great leaders actually enjoy not having to make all the decisions," says White. She looks at her teams

and asks the key questions, "'You're doing the job every day. What do you think would be better?' I want them to tell me their ideas. I don't actually do their job. They do."

IEHP has entered the Managing for Daily Improvement (MDI) stage of Lean management, where the focus is now on continuous improvement, and handoff from the Simpler coaches to the IEHP leaders.

According to Dr. Gilbert, Simpler provided the overall structure to engage the IEHP and start the forward momentum in improving processes. "They brought the experts—the coaches and the mentors," he says. Now the company wants to become more self-sustaining. "We're still using the Simpler coaches, who now serve more as consultants. We want to make sure we can do a lot of the work with our own teams and our own people."

Dr. Gilbert is quite satisfied with the Lean transformation journey with Simpler thus far. "It's just been a beautiful evolution with Simpler," he states. "Simpler allowed us to get started and then put processes in place to sustain the improvements. And, through mentoring and coaching, build our internal capabilities to continue improving."

Take the next step
To learn more about the IBM solutions featured in this story, please contact your IBM representative or IBM Business Partner.

About Watson Health
Watson Health is a business unit of IBM that is dedicated to the development and implementation of cognitive and data-driven technologies to advance health. Watson Health technologies are tackling a wide range of the world's biggest health care challenges, including cancer, diabetes, drug development and more."