

## UVIT Set to Save an Estimated US\$10 Million Each Year, Improving Innovation, Customer Service



UVIT  
Nijmegen, The Netherlands  
www.uvit.nl

### Industry:

Insurance

### Annual Revenue:

US\$12 billion

### Employees:

4,200 to 6,000

### Oracle Products & Services:

Siebel CRM Call Center  
Oracle Database  
Oracle Warehouse Builder  
Oracle Fusion Middleware  
Oracle Application Server

### Implementor:

Oracle Consulting

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UVIT, the temporary, working name for four newly-merged Dutch insurance companies—a cooperative of the Unive, VGZ, IZA, and Trias—offers a full range of insurance coverage, including healthcare, homeowners, automobile, and travel insurance. Among major health insurers in The Netherlands, UVIT is the second-largest provider, insuring 4.2 million Dutch citizens. It’s UVIT’s health insurance division that will be the focus of this study.

Since 2006, The Netherlands has mandated that health insurance companies must offer a core health insurance package for universal primary care that includes coverage for things such as hospitals, pharmaceuticals, and physical therapy. The healthcare system is kept competitive by being 50% financed from payroll taxes, while citizens pay the remaining 50% directly to an insurance company of their choosing. Patients dissatisfied with their insurer can cancel at the end of a calendar year but must make a new agreement with another insurer. In addition, approximately 80% of the country’s 16.5 million people purchase products for additional healthcare coverage at extra costs. Thus insurance companies compete to provide discretionary medical services to 80% of the population and to capture 50% of the money spent in The Netherlands’ health insurance market for universal health insurance packages.

The 2006 regulatory changes were designed to make The Netherlands healthcare system simpler, control costs, and to create more competition. As a result, UVIT needed to control costs and beef up its innovation and service to set it apart from other insurers.

**Key Benefits:**

- On track to save an estimated US\$10 million (€7 million) each year
- Cut time required to deploy products to market
- Cut IT management expense by eliminating the need to build and maintain many of the more than 100 applications previously used
- Enabled rapid system adaptations to accommodate complex changes in Dutch healthcare insurance law and streamlined mandatory reporting to oversight agencies
- Provided an integrated IT environment that encourages following industry best-practices and facilitates claims management
- Enabled tracking costs and profitability of individual and collective policies

**Meeting Back Office Challenges**

To meet its back office challenges, UVIT chose three Oracle applications. For claims processing, UVIT relies on Oracle Health Insurance (OHI) Back Office. OHI Back Office supports the administrative processing of policy data and claims, as well as the product and healthcare purchasing data. UVIT's deployment lets the company adjust to the frequent, complex changes in Dutch healthcare insurance law, to use industry best-practices, and manage claims processes within an integrated IT environment.

UVIT also deployed OHI Business Intelligence, which helps end-users analyze data stored in Oracle Health Insurance Back Office. This deployment helped UVIT to cut the time required for mandatory reports to regulatory bodies and to generate cost analyses that reduce UVIT's claims burden and assess profitability of individual and collective policies. The resulting business intelligence helps UVIT to negotiate better provider contracts by its benchmarking health care providers. It's also useful for comparing premiums and claims to adjust premiums and coverage for individuals and collective health plans.

**Meeting CRM Challenges**

UVIT uses Siebel CRM in its call center. "Good customer service is particularly important in times of change, and Siebel CRM allows our call center to know exactly who is calling and what's the status of care, billing, and complaints," said Jo Knippenberg, CIO of UVIT. "If a patient needs to know what exactly is covered, the information is made available to the call center because Siebel CRM Call Center is integrated with OHI Back Office. The integration allows us to quickly check on many things, like whether a claim is paid or why it hasn't been paid."

On the backend, UVIT is lowering its IT management costs, as, with system consolidation, it no longer has to continue building and maintaining many of the interfaces between the more than 100 applications it previously maintained. In addition, Oracle Fusion Middleware is an important building block in making UVIT's Oracle Health Insurance applications easily accessible to other applications at all times.

**Set to Save an Estimated US\$10 Million a Year**

By fall 2008, UVIT was 80% through its system consolidation, and currently all of its customers already are on the single

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instance of Oracle Health Insurance Back Office. Knippenberg estimated that the consolidation would lower the total cost of applications ownership by about US\$10 million each year. Other savings on the operational and healthcare side are not included in this figure.

The largest integrations in the merger involved two separate implementations of OHI Back Office and the replacement of two different custom-developed applications for the health insurance plans of private industry and government employees. The integration results in one instance of OHI Back Office, with one set of processes and one organization to handle all the health insurance offered by UVIT.

Knippenberg expects it will take two years for the savings to kick in because old systems will be left in place to handle claims from 2007 and 2008. After that, use of the old systems will decrease quickly, and IT costs will drop substantially.

Good case management also brings costs down, and that’s where Siebel CRM helps bring additional savings. “With a good call center, we’re doing a better job at case management. The resulting improved health of our customers lowers our healthcare costs,” Knippenberg said.

### **Gets Products to Market Quickly**

Oracle Health Insurance Back Office sets up quickly to make new products and define specific groups of customers. “This helps us to merge our products or manage them independently, and it helps to get new products and services to market. Oracle Health Insurance Back Office is very useful in merging the four companies and identifying differences in our insurance product lines,” Knippenberg said.

The most time-consuming part of the project, according to Knippenberg, is making decisions about what kinds of products to offer and what to include in them. “We still have about ten brands; for VGZ, IZA, Trias, Unive, including specialty health insurance products for the military and government employees. The system allows us to manage any number of products under any number of brands. Oracle provides the only off-the-shelf solution that can do this for our situation,” he said.

### Why Oracle?

During the merger, UVIT found its own systems couldn't handle the increase in transaction volumes, so it chose Oracle applications to replace the applications it had developed on its own. The Oracle Health Insurance applications were already used at VGZ and were assessed to be agile systems geared towards the future.

VGZ also had already a good experience with Oracle's Siebel CRM, and it was therefore a logical choice to continue operating within the UVIT setting. "By having Siebel CRM Call Center, we were able to change from being an administrative company to a more customer oriented service," Knippenberg said. "Siebel supported a larger environment than other vendors' applications, and it was the only health-insurance-specific CRM application.

Oracle Consulting helped UVIT to meet the deadlines set by The Netherlands' government for the required changes in law and legislation. It not only helped UVIT to implement the new application, but also to implement new universal and additional insurance products.

Knippenberg said that the process of consolidating companies requires mutual respect and lots of discussion. "Oracle Health Insurance Back Office doesn't get in our way like our in-house developed systems did," he said. "During the merger, most of our time was taken up with discerning standards of practice and processes. Implementing the system was an easier part. Once we made up our minds, the Oracle application enabled us becoming the best company we can be."

*UVIT is one of the largest insurers in the Netherlands.*