

Improving Profitability and Cost Management in the Healthcare Insurance Industry

The new healthcare reform legislation requires healthcare Insurers to provide detailed reporting on their Medical Loss Ratio. Failure to meet new Federal guidelines could result in fines, suspension from government programs, rebates to members, and/or other penalties.

Key Features:

- Business user driven profitability modeling
- Flexible allocation platform
- Traceability maps
- Business rules engine
- Model validation reporting
- Hierarchy and dimension management
- Multi-dimensional calculations
- Powerful analysis and reporting
- Integration with other performance management applications

Recent Healthcare Reform Legislation is changing the regulatory environment and creating new pressures for both Providers and Payers in the Healthcare industry. Organizations are now faced with more Federal government oversight, in addition to existing state and local government regulations. There is much more focus on rates and pricing, including a need for more documentation and audit trails to support financial and operating results as well as rate increase requests. The new legislation requires Healthcare Insurers to provide detailed reporting on their Medical Loss Ratio. Failure to meet new Federal guidelines could result in fines, suspension from government programs, rebates to members, and/or other penalties.

In addition to these new reporting requirements, Healthcare Reform Legislation is driving the creation of Regional Healthcare Exchanges, modifications to insurance business practices such as medical underwriting, guaranteed issue, renewal management, etc. Additionally, there is significant expansion of government sponsored health care programs such as Medicaid, Medicare, and children's health initiatives.

Oracle Hyperion Profitability and Cost Management

Oracle Hyperion Profitability and Cost Management (HPCM) provides the ability to accurately allocate revenues and costs with detailed documentation and audit trails. Built around a flexible allocation engine, HPCM's powerful analytic foundation helps organizations determine which plans and group policy customers to invest in (or to divest from), and how to strategically allocate resources.

HPCM provides a purpose-built financial modeling application that allows financial and operational managers:

- To visually trace cost and revenue assignments from source to ultimate cost objects
- To manage the definition of the models by describing business relationships
- Flexible, reporting, querying and "what-if" capabilities

HPCM's business-user modeling environment:

- Supports multiple cost and revenue allocation methodologies through up to 9 stages of transformation
- Provides pre-built model validation reporting
- Offers rich, ad hoc analytics and formal reporting capabilities
- Is integrated with the leading EPM and ERP Systems

Key Benefits

- Identify sources and attributes of profitability with multi-dimensional analysis
- Accurately allocate costs with a flexible allocation engine that supports any methodology
- Gain confidence in cost allocations and revenue flows with graphical traceability maps
- Strategically allocate resources with accurate profitability and cost information
- Improve marketing programs through customer segmentation
- Enable management best practices by leveraging profitability as a performance metric

Supporting the Needs of the Health Insurance Industry

Oracle Hyperion Profitability and Cost Management supports the core requirements of the Healthcare Insurance industry and provides value for a broad range of use cases. For core profitability management, HPCM helps managers gain visibility and understanding of the cost to service different healthcare plans, group business and members. It helps provide an accurate understanding of profitability by member segment, healthcare plan and distribution channel. Based on this new insight, managers can improve marketing programs through better member segmentation and make more confident operational decisions about plan design and services. In addition, HPCM helps Finance and Operating Staff provide more complete documentation and audit trails for regulatory reporting and to visually justify Medical Loss Ratio results.

Supporting the Needs of Different Stakeholders

HPCM can support a number of different stakeholders and user groups. This includes Financial Executives who need to understand what drives costs and profitability; which plans and member groups are truly adding value to the business; and how to strategically allocate resources. HPCM can also be used by Line Managers, Operations Managers, and Marketing Managers to better understand causal business relationships and make better decisions about which plans and channels to support, which member groups to invest in, and which campaigns to undertake.

And finally, HPCM can benefit Information Technology Executives by providing a self-service environment where business-users control and manage costing and profitability models. This will free up IT resources allowing them to focus on supporting other critical business functions and initiatives.

Oracle's Hyperion Enterprise Performance Management Applications

HPCM is part of Oracle's Hyperion Enterprise Performance Management Applications suite, which is a modular suite of packaged enterprise performance management (EPM) applications that unite goal-setting, modeling, planning, monitoring, analysis, and reporting into a single, integrated system. The suite supports closed-loop EPM by delivering an accurate representation of past results and enabling swift, confident planning and execution for the future. Oracle's Hyperion Enterprise Performance Management Applications provide a unified view of financial and operational performance, so organizations can quickly and accurately model, plan for, and overcome new challenges.

CONTACT US

For more information about how your organization can leverage the power of Oracle Hyperion Profitability and Cost Management, please visit www.oracle.com/epm or call +1.800.ORACLE1 to speak to an Oracle representative

