



HMS Holdings Writes its Own PeopleSoft Prescription

About HMS Holdings Corp.

HMS Holdings Corp. provides end-to-end cost containment services for government and private healthcare payors and sponsors. Operating through several subsidiaries, HMS recovered more than \$1.8 billion for clients last year, and saved clients billions of dollars more through the prevention of erroneous payments.

Situation

HMS Holdings Corp. has expanded through both acquisitions and organic growth to operate across 36 offices nationwide. For 15 years the company has used Oracle's® PeopleSoft® Enterprise software to provide basic support of finance. Deciding to update its PeopleSoft system, HMS asked the original software implementation company to complete the upgrade. The result left many goals unmet. Gaining the necessary PeopleSoft Enterprise skills to complete the work internally would distract the HMS IT staff from other important work. The company needed knowledgeable, reliable and cost-effective support to optimize its PeopleSoft Enterprise system.

Solution

After a thorough search, HMS engaged AT&T to perform the desired enhancements. Starting by completing unfinished upgrade projects, AT&T consultants automated and integrated important financial and human resources operations. One project at a time, HMS deepened its relationship with AT&T. Seeing the benefits of dedicated system support, HMS chose AT&T to host its PeopleSoft Enterprise applications in an AT&T data center. With this essential business system secure and supported by AT&T PeopleSoft Enterprise managed applications experts, the company's IT staff can devote its time to other vital IT needs.

Keeping Healthcare Financially Healthy

Since its founding in 1974, HMS Holdings Corp. has worked to foster an effective and efficient healthcare system. As the nation's leading provider of cost containment services for healthcare, HMS assists State agencies, managed healthcare organizations and self-funded employers in ensuring that medical claims are paid appropriately and by the responsible party. HMS services include coordination of benefits and program integrity.

HMS Holdings Corp. offers an extensive suite of products and services, with end-to-end solutions to ensure accurate costs. "Our products are offered on a partially to fully outsourced basis," said Andre Khillawan, Director, Financial Planning, Analytics and Systems. The company works with clients on multiple levels to help improve payment accuracy and efficiency. It addresses cost prevention and savings through third-party eligibility identification and recovery, as well as program integrity audit services.

As experts in healthcare cost management, HMS provides services that clients often find almost impossible to perform themselves. "Part of what makes us a standout company is we've gathered huge amounts of data and built proprietary systems and processes over many years," Khillawan said. HMS provides guidance on current industry issues, including the impact of healthcare reform on clients, through online educational webinars and blogs.

HMS Holdings Corp. Facts

- **Business Needs**
Strengthen the corporate IT system of a fast-growing operation with limited internal resources
- **Networking Solution**
Oracle's PeopleSoft Enterprise Applications managed and hosted by AT&T
- **Business Value**
Ability to tap into more expansive software capabilities in a highly secure environment while allowing IT staff to focus on customer needs
- **Industry Focus**
Cost containment services for the healthcare industry
- **Size**
1,600 employees deployed at 36 offices nationwide



Growth Reaches a Bottleneck in Finance

Acquisitions and organic expansion have fueled the HMS growth trajectory. “We’ve been growing anywhere between 18 percent and 25+ percent a year,” Khillawan said. The company operates 36 offices nationwide, with corporate offices in New York and Irving, Texas. To manage this large and dispersed staff, HMS Holdings Corp. uses PeopleSoft Enterprise human resources and administrative applications.

Services include monitoring and assessing clients’ system integrity, and HMS takes its own advice. “We constantly look at our internal processes to see what opportunities are there for us to enhance PeopleSoft,” explained Khillawan. HMS saw that PeopleSoft Enterprise had additional capabilities that could streamline and better integrate financial and human resource processes. The company decided to upgrade its existing PeopleSoft version, and chose the original software implementer to complete the upgrade.

But the upgrade left Khillawan’s team short of its goals. “Some of the new capabilities that we wanted to add and the expansion of our business processes that we wanted to implement in PeopleSoft never came to fruition,” Khillawan said. Making the needed system changes in house would require doubling the existing staff. HMS didn’t want to become PeopleSoft Enterprise experts, but the company needed to secure the necessary support without getting the IT staff bogged down. They had higher-priority projects.

Finding the Right Help

HMS decided to seek help from outside to complete its software upgrades. After a thorough multi-vendor search, the company chose AT&T. “We needed to supplement our existing knowledge with somebody who understands PeopleSoft,” said Khillawan. “The fact that AT&T is an Oracle Platinum Partner was very important to us.” AT&T offered flexible and affordable support, providing both on-site and remote consultation as needed.

Though AT&T seemed to present all the right qualifications, HMS needed to make sure. “We tested the waters by throwing some small projects out there,” Khillawan said. AT&T started by conducting an assessment of the PeopleSoft Enterprise system, documenting where the software was being used to optimize business processes – and where it was not. AT&T presented its findings to HMS and began implementing unused modules and undoing unneeded customizations created by the previous implementation company.

The relationship grew. “After successfully completing the needed upgrades, they then helped us to build more infrastructure within PeopleSoft,” said Khillawan. Through more involved implementation and system development projects, AT&T worked with HMS to get the most out of the software by further integrating the company’s financial and human resource processes. The work was done on time and on budget.

Automation and Integration

With AT&T support, HMS automated several key business processes. The company implemented the PeopleSoft Enterprise ePerformance module to conduct employee evaluations, an in-depth process that synthesizes documentation from multiple sources. The module allows HMS to share and store documents, track performance and provide feedback within one system.

Addressing the relationship between HMS Holdings Corp. and its subsidiaries, the PeopleSoft Enterprise system again provides operational integration. The diversity of subsidiaries is a strength for HMS, but some of these operations rely on different software. Yet certain internal processes, such as accounting, must be exported into the HMS parent system. AT&T helped align subsidiary systems with the HMS PeopleSoft Enterprise infrastructure. “We built integration points so they can do their accounting in their system and push out a file that converts it into what PeopleSoft needs— then PeopleSoft uploads it,” Khillawan said.

“We needed to supplement our existing knowledge with somebody who understands PeopleSoft. The fact that AT&T is an Oracle Platinum Partner was very important to us.”

– Andre Khillawan, Director, Financial Planning, Analytics and Systems, HMS Holdings Corp.

Its software integration sets HMS up for smooth, continued growth. New employees can now sign up for benefits packages online while existing employees can handle their annual enrollment needs. New offices can be integrated into the system without a costly and time-consuming migration. “If we can, we actually try to absorb the accounting function and the HR function within our system,” said Khillawan. “And generally speaking, we’ve been able to do that pretty well.”

Security Brings Relief

After building the relationship for a year and a half, HMS was certain of the capability and dedication of AT&T. “It was proven that AT&T could deliver,” said Khillawan. HMS considered how else they could benefit from additional expert support and turned its attention to improving system hardware. The company hosted PeopleSoft Enterprise internally, using seven in-house servers and the time of its IT staff.

HMS decided to move the full management of its PeopleSoft Enterprise applications hosting to AT&T for two reasons. “One was the value of people’s time and the second was risk,” Khillawan said. “Because we are expanding business, we needed to reduce that risk profile.”

The new hosting arrangement has freed the internal IT staff to focus on other important tasks. “We can re-leverage our existing staff to provide other higher priority types of service for the company,” said Khillawan. “For the folks in IT, they can now focus more of their efforts on what their true skill sets are.”

AT&T hosts the software on servers at an AT&T data center, where full-time professionals monitor system performance. HMS data is backed up nightly at another AT&T data center in a distant state. The company hasn’t experienced any major downtime since hosting began.

“At the end of the day, it relieves a lot of your stress,” Khillawan said. If making the hosting decision again, he added, “I would have made it a lot sooner.”

For more information contact your AT&T Representative or visit us at www.att.com/business.