

ORACLE®

Improving Profitability
and Cost Management in the
Healthcare Insurance Industry





Healthcare reform legislation has changed the regulatory environment and created new pressures for both providers and payers in the healthcare industry. Organizations are now faced with more federal 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, and requests for rate increases. The legislation requires healthcare insurers to provide detailed reporting on their medical loss ratio.*

In addition to these reporting requirements, healthcare reform legislation is driving the creation of regional healthcare exchanges and modifications to insurance business practices (such as medical underwriting, guaranteed issue, renewal management, etc.). Additionally, there is significant expansion of government-sponsored healthcare programs such as Medicaid, Medicare, and children's health initiatives.

* Healthcare reform legislation requires healthcare insurers to provide detailed reporting on their medical loss ratio (MLR). Failure to meet these federal guidelines could result in fines, suspension from government programs, rebates to members, and/or other penalties.



Oracle Profitability and Cost Management Cloud Service.

Oracle Profitability and Cost Management Cloud Service provides the ability to accurately allocate revenues and costs with detailed documentation and audit trails. Built around a flexible allocation engine, its 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.

The service provides a purpose-built financial modeling application that enables financial and operational managers to:

- Visually trace cost and revenue assignments
- Manage the definition of the models by describing business relationships
- Utilize flexible reporting, querying and “what-if” capabilities

The service’s business-user modeling environment:

- Supports multiple cost- and revenue-allocation methodologies
- Provides prebuilt model-validation reporting
- Offers prebuilt reporting, rich ad hoc analytics, and formal reporting capabilities
- Is integrated with the leading enterprise performance management (EPM) and enterprise resource planning (ERP) systems



Key features:

- Business user driven profitability modeling
- Flexible allocation platform
- Traceability reports
- Business rules engine
- Model validation reporting
- Prebuilt and ad hoc reporting
- Hierarchy and dimension management
- Multidimensional calculations
- Faster implementation times
- All the advantages of a cloud service

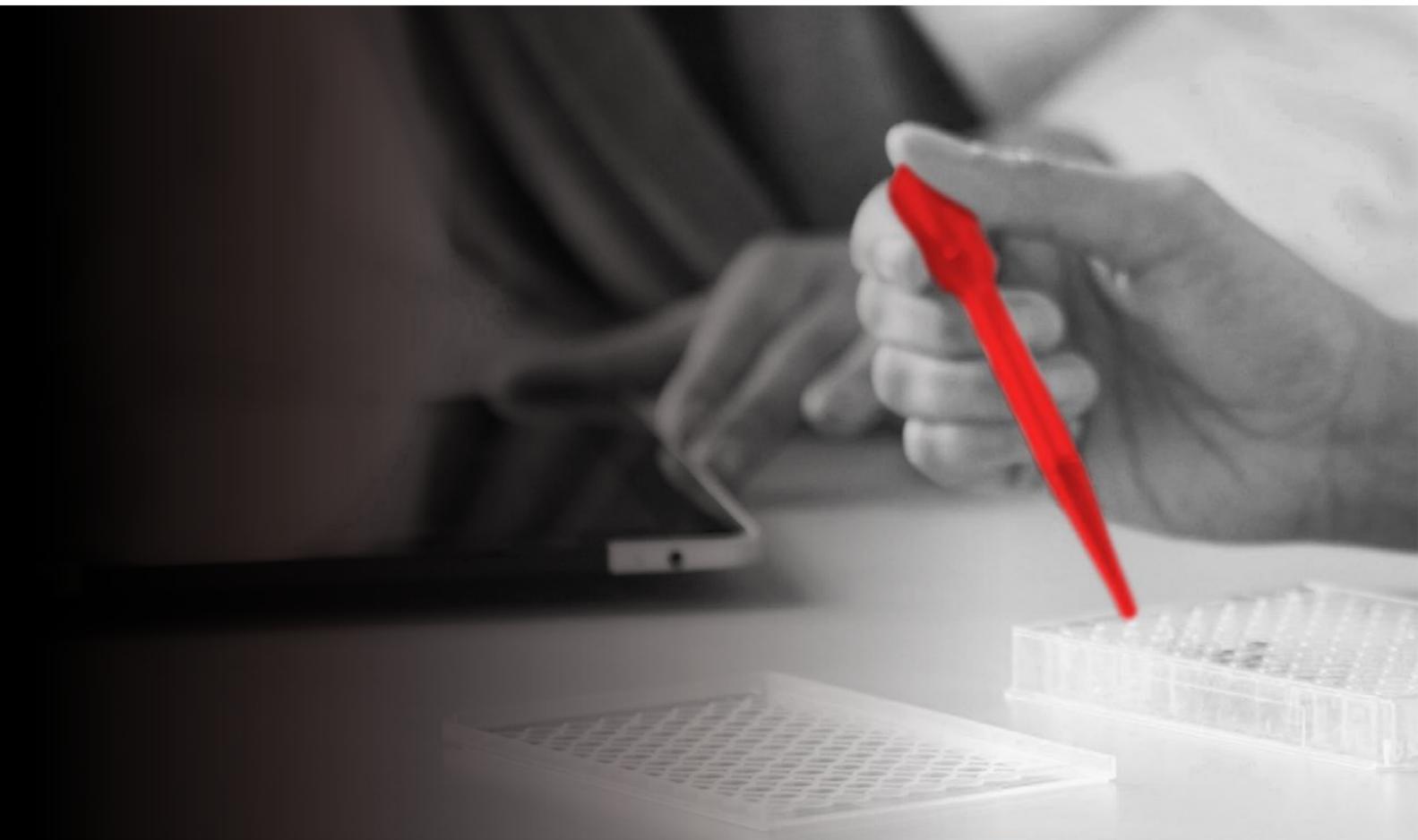


Supporting the needs of the health insurance industry.

Oracle Profitability and Cost Management Cloud Service supports the core requirements of the healthcare insurance industry and provides value for a broad range of use cases. For core profitability management, the service 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, Oracle Profitability and Cost Management Cloud Service helps finance and operating staff provide more complete documentation and audit trails for regulatory reporting, and visually justify MLR results.

Key features:

- Identify sources and attributes of profitability with multidimensional analysis
- Accurately allocate costs with a flexible allocation engine that supports any methodology
- Gain confidence in cost allocations and revenue flows with graphical traceability reports
- 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 different stakeholders.

Oracle Profitability and Cost Management Cloud Service can support a number of different stakeholders and user groups. This includes finance 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. The service 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, the service can benefit IT executives by providing a self-service environment where business users control building, managing, and changing cost and profitability models. This frees up IT resources, allowing them to focus on supporting other critical business functions and initiatives.

Oracle Enterprise Performance Management Cloud.

Oracle Profitability and Cost Management Cloud Service is part of Oracle Enterprise Performance Management (EPM) Cloud. Oracle's EPM Cloud and on-premises applications provide market-leading functionality with fast time to value, simplicity of configuration, and prebuilt content for deeper integration and easy extensibility.

Contact us.

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