



FedEx Kinko's Office and Print Services offers major healthcare benefits provider, HealthAmerica, document production — resulting in increased productivity and significant cost-savings, as well as front- and backend material review time for its open enrollment process.

Corporate profile

Headquartered in Harrisburg, Pennsylvania and with offices located in Pittsburgh, State College, and Erie, HealthAmerica and HealthAssurance are leaders in providing innovative health benefit solutions to companies in Pennsylvania and Ohio.

HealthAmerica and HealthAssurance currently insure nearly 10,000 employer customers and more than 600,000 members through a provider network of over 13,000 doctors at 132 hospitals. Coventry Health Care, the parent company of HealthAmerica and HealthAssurance, in addition to other plans across the U.S. is one of the largest health insurance organizations in the country.

Key business issues and challenges

With hundreds of thousands of members, doctors and corporate customers, HealthAmerica's daily flow and production of print materials is extensive — ranging from forms and information used in processing claims to open enrollment packets. To meet these needs, HealthAmerica operated an on-site copy center out of its Pittsburgh location, which also served the Erie and State College offices. Managed in-house and staffed by a dedicated HealthAmerica employee, this facility was equipped with three leased black and white copiers, equipment that HealthAmerica reported to be outdated and inefficient.

In Harrisburg, HealthAmerica had a fifteen-year relationship with a local offsite print vendor to meet the needs of its headquarters and the markets extending to Philadelphia. Both facilities were also using a number of additional outside vendors for overflow work and quick copy jobs.

A particularly time sensitive period for HealthAmerica is its open enrollment process. The Harrisburg vendor contracted by HealthAmerica to produce the enrollment packages required nearly two weeks of production time. This often resulted in less time for HealthAmerica to create and modify packets, increasing the margin for error. Likewise, it significantly shortened the window for members and corporate partners to read through and make benefit choices before having to send the materials back.

Added to this is the enormous amount of data and reports that HealthAmerica generates on a daily basis. For example, if a HealthAmerica member visits a doctor or healthcare facility, claims are filed with HealthAmerica for billing purposes. In addition, any updates to member, doctor or corporate customer information require manipulation and updating of records. As HealthAmerica grew, printing the reports on-site became inefficient and cumbersome. As a result, they began looking to outsource as much of the printing process as possible. However when they approached their existing vendor in Harrisburg, they were told the format was archaic and the translation to updated technology would be impossible.

Ultimately, HealthAmerica needed more efficient document solutions that enabled them to achieve consistencies in document production and leverage costs across its markets. At the same time, they wanted a partner who could help them incorporate innovative solutions to address document storage issues, while also remaining compliant with federal regulations.

Solution

As a health benefits company, confidentiality and security are critical issues. Stringent privacy requirements are currently in place to streamline industry inefficiencies, reduce paperwork and make it easier to detect and prosecute fraud and abuse.

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) in particular places strict controls in processes and procedures related to the healthcare industry. As such, HealthAmerica requires a partner that is adaptable to and capable of meeting its unique document needs while adhering to its security and quality control requirements.

In addition to two other local print vendors, HealthAmerica had been using FedEx Kinko's in Pittsburgh for overflow work and small jobs for several years. Because FedEx Kinko's was uniquely able to deliver work faster, more accurately and at a lower cost, HealthAmerica slowly increased the number and scope of projects they were handing off. As evidence to their commitment to meet HealthAmerica's needs, the FedEx Kinko's branch in Pittsburgh purchased an additional DocuTech, a large-scale digital production machine, and increased production to approximately 2.5 to three million pieces per month for HealthAmerica.

As HealthAmerica's on-site copier equipment leases came up for expiration, FedEx Kinko's proposed an offsite model that consisted of a two-a-day pick up and delivery service from the facility for production at a local FedEx Kinko's branch. The total solution included a drop box at a front desk and a custom form ordering form to streamline requests. Plus, FedEx Kinko's holds regular lunch and learns to go over key terminology that employees placing print orders might need to know, such as binding and double-sided. That's because FedEx Kinko's knows first hand that miscommunication is the primary reason for errors. It was bringing all these value-added services to the table that initially put FedEx Kinko's in the forefront for providing services to the Pittsburgh location.

Once the model proved successful there, HealthAmerica gradually started tasking FedEx Kinko's with select projects for the Harrisburg market.

FedEx Kinko's and the existing print vendor in Harrisburg were then simultaneously presented with the opportunity to re-format HealthAmerica's database files to allow for printing offsite rather than via HealthAmerica's own on-site printers. FedEx Kinko's was able to accomplish this daunting task when the existing vendor termed it impossible. As a result, FedEx Kinko's now provides HealthAmerica with a complete offsite solution for all its printing needs, and across all its locations.

The last remaining piece critical to HealthAmerica's model of business was the turnaround time needed for printing open enrollment packets. To do this, HealthAmerica and FedEx Kinko's share information via FTP (File Transfer Protocol) that allows materials to be modified frequently, and by any number of employees. As a result, HealthAmerica is also now able to operate from a send and print model.

The FTP site also adheres to compliance issues regarding security and information sharing because HealthAmerica created a separate address that gives FedEx Kinko's access only to select documents via a specified user name and password. In addition, FedEx Kinko's account contacts also participated in HealthAmerica confidentiality training.

To further address HealthAmerica's key business issues of confidentiality and quality control, FedEx Kinko's assigns dedicated production and customer service contacts; limiting the number of people who touch HealthAmerica's projects. Strict quality assurance systems are documented, followed and under consistent review.

Further, FedEx Kinko's put processes in place that ensure the accuracy of production and timeliness of delivery. Monday through Friday, a dedicated driver picks up a CD-ROM from HealthAmerica in Pittsburgh that contains anywhere from 500 to 1000 zipped files. The files are converted, sorted according to the receiving HealthAmerica facility, sequentially ordered and the jobs are printed, packaged and either delivered to the Pittsburgh facility or shipped to Harrisburg — both at no charge to HealthAmerica.

For security compliance measures, FedEx Kinko's returns the CD-ROMs containing HealthAmerica's reports along with the printed documents. No CDs are stored or retained by FedEx Kinko's and HealthAmerica destroys the CDs in-house following the production of the reports.

Results

- **Significant cost savings** — HealthAmerica is able to leverage spending across its locations and realizes significant pricing discounts through its agreement with FedEx Kinko's. It now saves more than 30 percent over its previous vendor on black and white copies. With more than 30 million copies each year, the annual savings exceeds three million dollars. Beyond that, by moving production offsite, HealthAmerica saves on the costs and maintenance associated with on-site, leased equipment.
- **Free up space and reduce capital expenditures** — In addition to price per click savings HealthAmerica is no longer tasked with managing multiple vendors or with operating or maintaining an on-site facility. By removing the on-site facility and switching to distributed, offsite solutions, HealthAmerica has eliminated the payroll required for an equipment operator. Taking production offsite also enables HealthAmerica employees to spend their labor hours and operational efforts taking care of their member rather than producing enrollment packets.
- **Customized solutions** — When HealthAmerica's existing vendor said file conversions were impossible, FedEx Kinko's delivered. Because FedEx Kinko's was able to format and update HealthAmerica's database files to print on new technology, HealthAmerica can now send the process offsite.
- **Improved efficiencies and reduced shipping costs** — HealthAmerica benefits from countless value-adds in addition to consistency of pricing and increased time-to-market. FedEx Kinko's also provides CD-ROMs for record storage and shipping to the Harrisburg facility at no charge.
- **Security and compliance** — Dedicated FedEx Kinko's account personnel guarantees HealthAmerica that the people touching its projects are well versed in the processes, quality and security controls, and that someone is readily available to address any increases in production or customer satisfaction issues.
- **Faster time-to-market** — By engaging with FedEx Kinko's, HealthAmerica has gained time for the review and packaging of its open enrollment packets. Furthermore, the relationship also benefits its corporate customers and members by lengthening their enrollment choice period.

Concluding thoughts

By outsourcing its document services, HealthAmerica is able to operate more efficiently and effectively, resulting in increased savings and a focus on members and benefits rather than document production.

"FedEx Kinko's commitment to the client was evident from the onset of our relationship. From investing in equipment to keep up with our workflow to spending time and resources to solve our database translation issues, we know that FedEx Kinko's will go above and beyond to meet our needs."

- Company Spokesman