

Client's challenge

A large US payer wanted to expand the reach of its existing Medicare Prescription Drug Program (Part D) plan from 10 states to 50, while simultaneously launching a private fee-for-service plan under the Medicare Advantage program. To strategically support this and future market expansions, the payer chose to outsource key operations and marketing to a third party. The client's objective in outsourcing was to allow it to focus on expanding its business and accommodating the higher volume of members and transactions that the new business would produce.

The payer sought help from our Health Industries Advisory practice to establish a program management office (PMO) to oversee the outsourcing process. This PMO would manage and monitor activities necessary to outsource key operations and expand market reach for the two Medicare-related plans.

PricewaterhouseCoopers' Advisory solution

PricewaterhouseCoopers established a five-member PMO with in-depth program management experience to guide the outsourcing process. The PMO oversaw the launch of the two products and the conversion of key data from existing IT systems to IT systems at the third party.

As part of its mission to guide the outsourcing process, the PMO:

- Built and disseminated tools, templates and processes to effectively manage the program
- Consolidated program schedules from the workstreams involved in the product launches to accurately track milestones and deliverables
- Tracked issues and risks to resolution and distributed information on key management decisions to the program stakeholders
- Constructed and provided a weekly consolidated program status report to keep key stakeholders informed of progress
- Facilitated executive progress meetings and key checkpoint sessions to maintain program momentum

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- Conducted operational readiness reviews one month before open enrollment and claims operations launch dates to specify that program activities completed would support regular operations
- Facilitated the interface with the vendor to create effective channels for communication

Impact on the client's business

The payer achieved its objectives to successfully outsource a new product launch and product expansion and significantly expand its member-services and transaction-processing capabilities. Throughout the process, the payer was able to track progress and determine that the program was on track and issues were promptly resolved. Additionally, client management was able to focus on key business issues, while the outsourcing was developing

In the future, the payer also will benefit from the PMO's program model and methodology, which may be leveraged across the enterprise.

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