



Southern Cross embraces rapid change to improve service

"Southern Cross chose Fronde based upon their expertise, experience and professional maturity as a quality systems integrator. The level of detail in their preparation and the total commitment to this substantial project was exemplary. The new Affiliated Provider System is a major accomplishment and has delivered significant improvements for our health providers and claims processing teams."

April Walker - General Manager, Information Systems

The Client

The Southern Cross Medical Care Society (Southern Cross) is New Zealand's largest health insurer, serving one in five New Zealanders. It is a not-for-profit, Friendly Society operated for the benefit of members.

The organisation processes over 600,000 claims a year, representing 3 million treatments including around 140,000 surgical procedures.

The Southern Cross Medical Care Society strives to be the preferred funder of private health care services in New Zealand with a reputation for value for money, choice, and superb service.

The Challenge

Southern Cross used the Affiliated Provider System (APS) for business communications and information management between their various affiliated service providers. This system facilitated claims processing and payments on behalf of Southern Cross members. As business operations at Southern Cross expanded, the APS system had the potential to become unstable and was getting difficult to support. The technology was outdated and going to be unable to accommodate future growth in the number of providers and transactions.

The legacy APS was complex and had become inefficient - involving manual manipulation of a huge volume of data, therefore security issues were also a potential concern. It was critical for Southern Cross to deploy a robust, integrated and automated solution.

The platform also had to be scalable to support the future business strategy, where the updated APS would constitute the first step towards providing a platform to simplify the interface with members.

Southern Cross chose Fronde to develop the new system and project manage a large and complex systems integration. This required a team comprising two sub-contracted vendors. Fronde acted as the prime consultant and was responsible for managing the project, the vendors and also delivering the architecture framework.

The project was planned according to a strict timeframe and budget, with little room for revisions to the original design.



The Process

Values, Collaboration, Technology

The challenges of the project required more than technical expertise. As project managers Fronde understood that it was vital to develop trust and encourage constructive engagement between the stakeholders and the 12 person project team. Four different organisations with different cultures and business practices were involved so collaboration was essential for success.

The project used a phased approach with a 10 week design phase followed by a six-month iterative development effort.

The development phase was undertaken in four week iterations allowing for a review at the end of each time period. This ensured Southern Cross had full visibility of the business value being delivered and could negotiate priorities based on emerging business needs. Feedback was collected from doctors and hospitals following demonstrations at two provider workshops to help prevent problems prior to final deployment.

Managing multiple change requests within the fixed time schedule was demanding but ensured the new APS would integrate with Southern Cross's business processes. Fronde incorporated all changes into the final build.

The updated APS system involved a web-based portal developed by Fronde for health providers and vendor representatives. The other essential functions of the new APS included applications for contract management, Provider Contract Management, and the core transaction system and database.

Fronde deployed the latest Microsoft technology as part of the systems integration project, including a new beta release of Microsoft BizTalk. BizTalk is the integration layer - the glue so to speak - to bind the various platforms, systems and languages within the business. This project was based on the Service Oriented Architecture (SOA) approach to integrating various different services. The Southern Cross SOA was developed using Microsoft's Service Framework.

The development phase successfully delivered to the agreed criteria for the project and the new APS went into its first deployment on schedule exactly 12 months after the RFP.

The Outcome

- ✓ Fronde delivered the replacement system for APS on time and within budget. Improved functionality, effective automation, usability and scalability have all been identified as significant benefits of the deployment.
- ✓ Core business processes, from contract management to provider approvals and claims processing, are now streamlined, standardised and automated according to the design phase of the project.
- ✓ Fronde created an environment of trust in which both the project team and the stakeholders could communicate openly and honestly.
- ✓ This environment helped to deliver enormous value and implement a technology solution that resolved critical IT issues outlined at the start of the project.
- ✓ All change requests were accommodated, within the scope and expectations of the original project, to maximise the functionality of the new system while meeting the project's final deadline.
- ✓ The development phase revealed issues, with data collection and processing from the manual system, which were cleaned up during the implementation.
- ✓ The Provider web access user-experience is vastly improved and security systems strengthened.

What they say

"We are already seeing improvements in our service delivery - especially across contract management. The overall benefit is a more efficient system for both our Affiliated Providers and Southern Cross Relationship Managers. It takes us one big step closer to our long term goal of providing a platform to simplify the interface with our membership."

"The project supports our business strategy to increase the volume through APS. We expect to see even greater improvements to our services once we have further enhanced our own contract management processes and fine-tuned elements of the functionality available with the new system."

"The training incorporated into the deployment has helped us manage the transition to a new system, and further training will help us maximise the advantages this system offers."

April Walker - General Manager, Information Systems

