

HOW APRIA HEALTHCARE MAKES PROGRESS



Apria Healthcare, the leader in the U.S. alternate-site respiratory, home medical equipment (HME) and specialty infusion therapy markets, serves more than 2 million patients annually from its more than 550 branch offices across the country. Physicians, health plans and hospitals refer patients to Apria because they trust the company to deliver vital services, products and supplies to patients' homes within as few as two hours from the time they place an order with Apria. Apria's local branch employees follow up with the personal touch that ensures that they are the patients' supplier of choice for additional homecare services and products they may need to support their chronic or acute medical condition. This powerful, high-touch strategy has made Apria the market leader in all of its three primary service lines.

In recent years, however, Medicare and other insurers' reimbursement cuts, coupled with an increasing administrative burden from the same payors, constrained Apria's strategy. The company needed a way to dramatically reduce the cost of branch operations while preserving its distinctive capacity for local service.



APRIA HEALTHCARE®

CHALLENGE

Dramatically reduce the administrative costs of a 500+ branch service network while supporting two-hour response times for customer delivery and personal customer service

SOLUTION

Centralize and streamline order-to-cash process with Progress® Savvion® BPM

Nothing short of a major transformation of operations would suffice. To accomplish this, Apria partnered with Progress Software to create a Progress Savvion®-based Business Process Management (BPM) system that has centralized and streamlined order administration across a significant portion of its branch network.

THE CHALLENGE

Before Apria centralized order administration for a large portion of its branch network in three large Customer Care Centers (CCCs), each branch did the work themselves, from preliminary order intake to insurance eligibility verification, qualification, order confirmation, order placement, delivery date and time confirmation, order routing and delivery. However, local processing was a challenge. For example, 60% of thousands of orders for new services are faxed by the company's customers. With old-fashioned fax machines in each branch, managers were never sure how those orders were being processed or how many were pending. With so many fax machines and data re-entry, orders easily got lost if the paper was missing. In addition, business users had no real-time order status visibility, which prevented workloads and inventories from being optimized and making Key Performance Indicators (KPIs) hard to manage.

Health insurance plans and Medicare claims processors demand precise data and documentation before they pay companies in the homecare industry. Upwards of 30% of Apria's customers are Medicare patients, making it critical that the company be able to meet Medicare's increasingly stringent documentation and billing requirements. Moreover, the company works with all 50 state Medicaid plans, all of which have unique regulatory, documentation and/or billing requirements. But to collect and report on all this information was labor-intensive and prone to errors, leading to claims processing delays, denied and/or unreimbursed claims.

A centralized model for order administration clearly made more sense. Not only would Apria be able to reduce costs, but they would be able to improve quality and responsiveness at the same time. And, it would free up

BENEFIT

- > *Reduces order handling costs. Eliminates missed orders with revamped order process*
- > *Streamlines order-to-cash process for faster revenue capture*
- > *Preserves high customer touch through local offices*
- > *Increases order visibility*
- > *Enables dynamic balancing of order workloads*

Severe winter weather can wreak havoc on homecare providers' operational ability to continue serving patients on life support and other home-based therapies. In the past, snowstorms could knock out operations of local branches and disrupt services. Apria's new Savvion-based system proved its mettle, however, in 2010, when a series of blizzards threatened to shut down operations. Managers dynamically shifted customer order processing of the affected region to an alternate site. The upshot: no orders were lost; every order got correctly processed. Apria was even asked to help serve competitors' patients since competitors' operations were disabled. That's operational responsiveness at its best!

branch staff to focus on customers rather than certain paperwork that might be better managed centrally.

THE PROGRESS SAVVION SOLUTION

Redesigning and reengineering a complex business process is a difficult undertaking even in the best of conditions. At Apria, the task was further complicated by a turbulent healthcare market, the decision to consolidate functionality in newly established Customer Care Centers at the same time, and the need to integrate with proven, core legacy systems that couldn't be changed.

Apria depends on a decades-old, customized and proprietary mainframe-based application at the heart of its business. This application provides core functionality with rock-solid performance and reliability. However, enhancing this system to centralize order management was too risky as it was designed primarily to support decentralized operations. After looking at possible options such as converting to an all new ERP system, management decided to extend the legacy systems' capability by incorporating the Savvion BPM solution. In that way, the critical core recordkeeping system continues to run as-is, and all the consolidated order management workflow is handled through Savvion.

The BPM efforts began as a two-phase initiative several years ago when the company brought in Savvion and began consolidating order handling into the customer care system. The first phase addressed preliminary order intake to standardize and speed up the order capture and handling process and make it consistent across the company, regardless of which branch would fulfill the order or the form in which it arrived. For example, faxes are now captured electronically and moved directly into the system all properly keyed. The second phase addressed the rest of the order-to-cash process by streamlining eligibility and qualification of insurance. Eventually, it will also tackle invoicing and payment.

Progress Savvion has pulled the pieces of this sprawling multi-step process together and enables visibility into the process end-to-end, increasing Apria's responsiveness. Starting with 500-700 users initially in 2010, Apria

“Insurance companies and Medicare are paying less than ever before, but our productivity and customer satisfaction scores actually increased because as a company we are able to be more operationally responsive using Progress Savvion ”

— Manisha Naik,
PMP and Director, Solutions
Delivery, Apps Development
Shared Service, Apria Healthcare

eventually expects to roll out the BPM capabilities to 3,000 of its 14,000 employees nationwide.

THE RESULTS

Thanks to the new Savvion-based BPM system, Apria is seeing valuable results:

- > For the first time, managers have quick, clear visibility into the order-to-cash process and the status of any order.
- > Managers can see the workflow in real-time and *proactively* redirect orders and queues when necessary.
- > Cash flow has improved as faxes and other orders are captured, processed, and dispatched faster.
- > The new process can handle substantially more orders with expected labor and rework savings of 20-40%.
- > The ability to respond to natural disasters such as blizzards, floods and hurricanes through workload rebalancing across multiple physical locations has made Apria more competitive.

Today, Apria is running Savvion v7.5. A team of five is engaged in deploying and maintaining the product. All stakeholders are experiencing benefits:

- > Customers can count on local people to be customer-facing, and less time is lost in handling administrative tasks.
- > Hospitals, doctors, and other healthcare providers can rely on the company to deliver the required healthcare equipment and supplies fast. With their patients increasingly more satisfied (as tracked by an independent third party), they continue to steer a steady stream of customers and orders to Apria.
- > Apria is better able to respond to ever-changing requirements and documentation demands from all payors.
- > Business users have visibility into more timely data and can manage the KPIs.

In short, through the use of Savvion, Apria is achieving its key objectives: increased process speed and efficiency, a streamlined order-to-cash process, and greater operational responsiveness through visibility into and control of the process. Manisha Naik sums it up: “Insurance companies and Medicare are paying less than ever before, but our productivity and customer satisfaction scores actually increased because as a company we are able to be more operationally responsive using Progress Savvion. If the challenge is to improve the order-to-cash process, you don’t get much better proof than that.”

ABOUT APRIA

Apria provides home respiratory therapy, home infusion therapy and home medical equipment services through approximately 550 locations in the United States. With over \$2 billion in annual revenues, it is one of the nation’s leading home healthcare companies. For more information, visit www.apria.com.

PROGRESS SOFTWARE

Progress Software Corporation (NASDAQ: PRGS) is a global software company that enables enterprises to be operationally responsive to changing conditions and customer interactions as they occur. Our goal is to enable our customers to capitalize on new opportunities, drive greater efficiencies, and reduce risk. Progress offers a comprehensive portfolio of best-in-class infrastructure software spanning event-driven visibility and real-time response, open integration, data access and integration, and application development and management—all supporting on-premises and SaaS/cloud deployments. Progress maximizes the benefits of operational responsiveness while minimizing IT complexity and total cost of ownership.

WORLDWIDE HEADQUARTERS

Progress Software Corporation, 14 Oak Park, Bedford, MA 01730 USA
Tel: +1 781 280-4000 Fax: +1 781 280-4095 On the Web at: www.progress.com

Find us on [f](https://www.facebook.com/progresssw) facebook.com/progresssw [t](https://twitter.com/progresssw) twitter.com/progresssw [You Tube](https://www.youtube.com/progresssw) youtube.com/progresssw

For regional international office locations and contact information, please refer to the Web page below:
www.progress.com/worldwide

Progress, Savvion and Business Making Progress are trademarks or registered trademarks of Progress Software Corporation or one of its affiliates or subsidiaries in the U.S. and other countries. Any other marks contained herein may be trademarks of their respective owners. Specifications subject to change without notice.

© 2011 Progress Software Corporation and/or its subsidiaries or affiliates. All rights reserved.
Rev. 09/11 | 110907-0107

