



PROGRESS BUSINESS RULES MANAGEMENT SYSTEM POWERS MEDICAL REIMBURSEMENT SOLUTION IN JAPAN

Client



Challenge

Since 1961, Japan has provided universal health insurance coverage to all its residents. Depending on age, family income and other demographics, patients are responsible for 10% to 30% of medical fees, with the insurer paying the remainder. Accounting for about 8.5% of the country's GDP, about half compared to US healthcare spending, the system is widely praised for its efficiency and quality with Japan boasting the longest life expectancy of any country in the world. Medical fees are strictly regulated by the government to keep them affordable.

Fees for all services are set according to government policy and reset every two years by the Central Social Insurance Council, an advisory body of the Ministry of Health, Labor and Welfare.

It is a lengthy negotiation as more than 4,000 complex reimbursement rules must be agreed upon and the rules then implemented by all medical service providers across the country.

To receive timely payments, providers submit data through the statement of Japanese medical expenses and details, Rezept. Oftentimes payment is delayed or reduced due to insufficient and inaccurate descriptions. Information services company ISB, a leading provider of IT solutions in Japan, sensed a market need for a more accurate way for providers to submit reimbursements.

“Reimbursement delays became especially critical for small medical practices and institutions supporting community health,” said Mr. Nobuhide Saito, Executive Officer of ISB. “Those providers rely on those payments for their day-to-day operations.”

ISB took on the challenge to build a solution that would allow institutions to increase the accuracy of their requests for reimbursements as well as update master pharmaceutical products and pricing data, thereby speeding payment and increasing efficiency by minimizing the need to resubmit Rezept.

Solution

ISB teamed up with their partner TMMC, which specializes in developing solutions specifically for the medical field. They realized from the outset that a business rules management system (BRMS) was fundamental to building a successful solution that could keep pace with 4,000 complex rules changes, as well as changes in pharmaceutical reimbursements and a wealth of related services.

“Corticon will automatically flag inaccurately recorded items before processing, dramatically speeding payment.”

Mr. Nobuhide Saito, Executive Officer, ISB

“Not only did we reduce our costs in building Fine Rezept, we could not have built it at all without Progress Corticon.”

Mr. Nobuhide Saito, Executive Officer, ISB

ISB and TMMC kicked off the project in June 2014. One of the first orders of business was to conduct due diligence to locate a suitable BRMS. They evaluated three solutions, including Progress® Corticon®. TMMC found that one solution required a long-term from-scratch programming effort, and the second was too inflexible to meet the complex requirements of the Japanese government’s rules for reimbursement. Corticon proved to be the ideal solution.

“We compared the other solutions but they were not fast enough or flexible enough to keep pace with rules changes in this environment,” Mr. Takuya Miyagi, Manager/Consultant of TMMC said. “We also concluded that Corticon would significantly reduce our cost and development time.”

Results

Naming its cloud-based reimbursement solution Fine Rezept, in deference to the statement of Japanese medical expenses and details, Rezept, ISB began development in August 2014 and launched a pilot program the following spring. Mr. Miyagi estimates that Corticon allowed them to build Fine Rezept about 30% faster than with other rules systems.

“Now that Fine Rezept is built and being tested, I estimate we sped development time by about one-third and expect an improvement in revenue because we now have the ability to centrally manage reimbursement rules, streamlining the business,” he said.

For providers, the benefits of Fine Rezept are significant as well. Mr. Masanobu Ohashi, Senior Manager of ISB, explained that each month providers submit reimbursements based on medical fee rules, which they used to have to manually score before submitting—a process prone to human error. Fine Rezept, now with Corticon, automates the process, ensuring accuracy before invoices are submitted.

“Corticon business rules help validate invoices based on medical fee point definitions ensuring their accuracy before processing,” Mr. Ohashi said. “The system will automatically flag inaccurately recorded items, dramatically speeding payment.”

With Fine Rezept about to complete the test phase and go live, Mr. Saito summed up the three key benefits realized with the Corticon BRMS:

- Changes to medical reimbursement rules, which are reset every two years, can be rapidly implemented, thereby avoiding delays in payments to providers
- With business rules separated from code, non-programmers can easily keep pace with ongoing system maintenance and rules changes
- Without IT involvement with business rules, ISB anticipates at least a 20% savings in overall maintenance of the system

Finally, the K.K. Ashisuto Corticon support team, in conjunction with the Progress Corticon support team, was instrumental to keeping the project on time and within budget.

“We had an aggressive timeline to develop Fine Rezept,” said Mr. Saito. “Whenever we had questions or hit a roadblock the Corticon support team was always available, helping us keep the project on schedule.

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Mr. Nobuhide Saito, Executive Officer, ISB

About ISB

ISB has grown with the advanced information industry, along with the progress of the IT revolution since its founding as an information services company. ISB focuses on general-purpose systems and business systems development and operation. It has paid attention to the development of the mobile communications field and makes it a pillar of the company's business as well as making full use of many years of knowledge and experience.

Its mission statement as a "superior technology and services company" is to devote research and provide consistent satisfactory service to their customers. In addition, ISB promotes globalization, expanding to Vietnam to procure engineering talent that is lacking in Japan and to enhance price competitiveness.

About TMMC

TMMC provides consulting services related to organizational and personnel reform, medical office improvement, site business improvement and information systematization as a partner of the customers' business management and informational system in insurance, medical care and welfare industries.

Also, they have developed an automatic inspection system by rule base due to the medical reimbursement for the first time in Japan, and they were accredited the Advanced Corporate Networking from July, 2007 to March 2011 by the Ministry of Economy, Trade and Industry on July, 2007. (Business owners from different fields collaborate to cultivate a new business field through effectively combining their managerial resources.)

They especially provide high quality services through the specialists who are familiar with the system and experts who are experienced in the field of medical administration and medical reimbursement.

About Ashisuto

K.K. Ashisuto is a leading independent supplier of a large range of software products from hardware manufacturers and software vendors. By combining expertise in various software products and services, Ashisuto supports large enterprises in each field of information utilization, including operations, database and business intelligence. The company's mission is to be the premier IT support and service provider in Japan.

About Progress Corticon

Progress Corticon is the business rules management system (BRMS) that delivers high-quality, high-fidelity, high-performance automated business decisions. It helps increase agility of decision change processes, and enables new insights into the connections between individual recurring decisions and business performance. Corticon separates decisions from processes, helping both business and IT users to quickly create or reuse business rules as well as create, improve, collaborate on and maintain decision logic.

Progress Corticon is the market-leading platform for automating and executing business changes used by over 500 customers worldwide. Customers such as eBay, Cigna, Adobe, US Bank, Commonwealth of Pennsylvania and the State of Texas have realized significant bottom- and top-line results using Corticon to improve decision automation, decision change processes and decision-related insights.

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About Progress

Progress (NASDAQ: PRGS) is a global software company that simplifies the development, deployment and management of business applications on-premise or in the cloud, on any platform or device, to any data source, with enhanced performance, minimal IT complexity and low total cost of ownership. Progress can be reached at www.progress.com or 1-781-280-4000.

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