# Unlocking Value: Process Optimization for a Healthcare Payment Integrity Leader

## Background

A leading healthcare payment integrity organization was recently acquired by a private equity firm following a decade of remarkable expansion that saw twenty-fold growth in both revenue and workforce. However, this rapid growth introduced operational complexity that created challenges in maintaining efficient business processes.

The organization's ability to scale revenue and optimize effectiveness was constrained by inconsistent process documentation, technological limitations, and human capital management challenges including talent retention, succession planning, and compensation structure optimization.

## Objective

Empirical was engaged to map the current process, identify improvement opportunities, and provide an executable roadmap to achieve 5x EBITDA growth over five years. The engagement focused on repositioning the business unit's value stream and scalability through strategic investments in process improvements, human capital, technology, and analytics to drive costs out of the system through waste reduction and automation.

## Methodology

Empirical deployed a structured Lean Six Sigma approach using the DMAIC process to identify root causes and develop targeted solutions.

- **Define:** The Solutions team, comprised of client and Empirical members, developed a clear project charter to ensure alignment on objectives, goals, timelines, constraints, success metrics, and key stakeholder groups.
- **Measure & Analyze:** Led a series of key stakeholder interviews, value stream mapping exercises, site observations, data analysis, Voice of Customer sessions, and stakeholder analysis discussions, culminating in a multi-department brainstorming session to determine root causes.
- **Improve:** Collaboratively with the client and technology partners, developed a pathway to a future state focused on five key pillars: automation to replace manual workflows with RPA; advanced technology deploying AI tools and predictive analytics; heuristic UX evaluation to identify user frustrations and create intuitive interfaces; process reengineering to simplify workflows and align them with strategic goals; and organizational structure changes to adapt teams and roles to a more agile framework.
- **Control:** Establish sustainable processes and metrics to maintain improvements and support ongoing operational excellence.

## Results

- **Avoided a multi-million-dollar, multi-year system rebuild** by implementing process changes, UX improvements, and advanced technology overlays instead of replacing core systems.
- **Identified $17M in potential three-year savings** through automation and advanced technology implementation, with $5.5M in annual recurring savings.
- **Created an opportunity for $12M in additional revenue over three years** through process and automation improvements to the QA function, preventing money from being left on the table.
- **Enabled $1.9M in headcount reallocation** through productivity and process improvements, supporting new client acquisitions without expanding workforce.
- **Redesigned processes for dramatic operational efficiency gains:** if fully executed, reduction of process steps by 39% (from 455 to 278 processes), pain points by 83%, and waste points by 85%.

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