



Paul Deis
Essex of Oak Park, Inc.



Success Story – Specialty Health Insurance Company

Situation – even though I had no prior experience with health insurance companies, the VP Operations at this company knew me from previous work and asked me to help them through this challenging crisis. Factors:

- **Company** – specialty health insurance, a solid business insuring students at universities. Sold coverage, enrolled insureds, and processed claims, paying providers.
- **Crisis** - Their business details required a relatively custom software system. They had contracted for a replacement of their prior, failing DOS-based system, but the software supplier had failed to deliver usable software, completely shutting down enrollment and claims processing, effectively putting them out of business. The supplier maintained that the software “worked.” It did not, creating the crisis, a real crisis.
- **Time Frame** – immediate, since it was September, and enrollments were pouring in, along with the start of fall claims. Literally, everyday the situation grew more pressing, as lists of people to enroll grew by tens of thousands, and thousands of new claims poured in and had to be being piled up in boxes, untouched. Most states have legal requirements within which health insurance claims must be processed. We were all under intense time pressure, to say the least.

Actions taken - Our crisis resolution project involved:

- **Recruited a team of technical experts** in different areas in 5 days; upgrading the team as we went forward.
- **Setup a “war room” to manage the project** at the server room & claims processing location from which we managed what was, at times, an 18 hour/day effort. More than once we were “in the dark” literally from the automated building system turning off all of the lights at 1 AM, requiring us to finish working and find our way out of the building by the light of our laptop screens which also work well as a flashlight as it turned out.
- **Performed a hostile takeover** of the software development project, locking out the failed supplier, literally changing physical door locks, and having the security/network expert I recruited find and change all access codes to the network. The supplier was angry

and had lost all trust of the company. Fortunately, we did have source code, but no real documentation of it.

- **Reviewed and assessed all modules** in the system with the technical team, enrollment staff and claims processing team. Next, we prioritized what could be done with each, and what needed to be replaced with new, written from scratch code.
- **Concurrent collaboration, development, and implementation** – almost continuous interaction with management, supervisors and key individuals to keep focused on priorities, bugs, issues, and things like making certain checks to providers were 100% accurate.
- **Quick fixes** – we developed some “quick & dirty” methods to allow enrollment to start almost immediately, replacing them later with more reliably written and user-friendly programs.
- **Managed the technical team members**, coordinating testing, managed software configurations (which modules were changed, updated and placed into live use, which versions, etc.), and other time-compressed work to enable limited claims processing to start within several weeks.
- **Led collaborative design with users and developers** to create a newer, faster running claims processing module that enabled claims processing to run much faster, no mouse movements, and other features.

Results – the project was a success, fortunately:

- **Enrollment** – quick & dirty method worked to jump start claims processing.
- **Claim processing** – patched up the original process; worked way too slowly; replaced with new, much faster module.
- **Backlog** – catching up started in 4th month, while staying clear of state legal problems.
- **One customer** was temporarily lost; returned later.
- **Sales grew** 30% the following year.

Paul Deis, Agoura Hills, CA is a operational turnaround and crisis resolution leader. He leads large, complex projects at manufacturing, and other types of companies that enable the company to survive a crisis and return to stable, profitable operation. This work involves re-organizing, re-designing how the company operates, streamlining processes, sometimes recruiting new leaders, changing software and procedures, changing suppliers, which products are sold and other activities to achieve quick, lasting overall productivity gains and positive cash flow. He is a published text-book author in the field of production & inventory management and has done this type of work with over 60 companies in his career of over 25 years. Visit his web site at www.pauldeis.com. Email: paul@pauldeis.com – (818-706-0160).