

## UPMC Health Plan's Finance Team Gets a Clean Bill of Health

UPMC Health Plan, one of the fastest growing health plans in the United States, wanted to reduce the manual errors caused by preparing their annual budget in Excel. After implementing Prophix, UPMC's Office of Finance was able to significantly reduce the time it takes to complete their budgeting process, allowing them to analyze their results and improve strategic decision-making.

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### Business Challenges

UPMC Health Plan is part of the larger UPMC Insurance Services Division, which has a complex organizational structure with many subsidiaries. Their primary source of revenue is commercial and government product insurance enrollment and their expenses are dominated by medical claims (~88%) and administrative costs (~9%).

UPMC's primary challenge was getting their budget process out of Excel in order to reduce instances of manual error. They also sought to limit the time spent preparing routine financial schedules.

### Why Prophix?

When looking for a Corporate Performance Management (CPM) software solution, UPMC Health Plan wanted a product that could be owned by finance, as well as implemented and maintained with minimal IT involvement. UPMC also considered Oracle Hyperion Planning before choosing Prophix, which fulfilled their need for a user-friendly solution with a simple way to view ad-hoc financial information. Prophix's CPM software was also capable of replicating their complex allocation process.

As part of an integrated health care delivery system, UPMC Health Plan is committed to providing its members better health, more financial security, and the peace of mind they deserve. The UPMC Insurance Services Division — which includes UPMC Health Plan, UPMC WorkPartners, LifeSolutions, UPMC for Life, UPMC for You, UPMC for Kids, Askesis, and Community Care Behavioral Health — offers a full range of group health insurance, Medicare, Special Needs, CHIP, Medical Assistance, behavioral health, employee assistance, and workers' compensation products and services to over 3.2 million members. Their local provider network includes UPMC as well as community providers, totaling more than 130 hospitals and more than 20,000 physicians throughout Pennsylvania and parts of Ohio, West Virginia, and Maryland.

**Operating:** Since 1996

**Website:** [www.upmchealthplan.com](http://www.upmchealthplan.com)

**Annual Revenue:** ~8 billion USD

**Employees:** 5,000

**ERP:** PeopleSoft

## Results

UPMC Health Plan pulls data from their general ledger, PeopleSoft Finance, into Prophix, as well as claims-level data sourced from an internally built and managed data warehouse.

After implementing Prophix, UPMC was able to shorten their budget process by 2 weeks. As a result, their Office of Finance can spend more time analyzing and reviewing their results. In addition, their Office of Finance now has the ability to easily conduct different 'what-if' scenarios for allocations.

UPMC has also begun to look at information on a geographic basis, as opposed to a limited product or department view. They can also add an additional dimension to evaluate product performance in a particular county or geographic area. Their Office of Finance can analyze their results in total dollars, as well as PMPMs (per member per month). In addition, these results are now accessible to operational business owners, who have a better understanding of budget variances.

**Overall, UPMC Health Plan has saved over 1000 hours by eliminating the need to distribute and consolidate Excel workbooks for projects and budgets.**

This incredible time-saving has allowed them to perform improved analysis of their budgets, which has resulted in millions of dollars annually.

## Future Plans

UPMC plans to continue to develop their use of Prophix by expanding their models to include forecasting, strategic planning, revenue and cash flow planning. In the future, UPMC's Office of Finance will also be able to look at how particular countries, regions and contracts are performing. They will be able to report on the performance of certain projects, as well as different staffing scenarios to make recommendations to the executive team.



## About Prophix

Prophix develops innovative software that automates critical financial processes such as budgeting, planning, consolidation and reporting – improving a company's profitability and minimizing its risks. Thousands of forward-looking organizations in more than 90 countries use software from Prophix to gain increased visibility and insight into their business performance.



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