

Transforming payment accuracy with cloud technology and big-data culture

Health plan CIOs balance efforts between “keeping the lights on” and evolving the digital ecosystem. Yet simple, early wins in payment accuracy can streamline operations and yield immediate savings.

This is the second of a two-part series on making the case for why payment accuracy is the ideal place for the CIO to lead a system-wide modernization effort. In this second article, Julie Durham explores how cloud technology and a big-data culture can transform payment accuracy. Julie Durham is VP of software engineering and payment integrity at Optum.

Q1 How does modernizing payment accuracy affect the payer CIO’s role?

Over the years, the CIO has rarely been in the driver’s seat of change. The fact is, CIOs in many industries have played an operational rather than a strategic, enterprise-business partner role. Payment accuracy is an ideal and early opportunity for the CIO to prove his or her strategic value. It’s also a way to build the skills necessary to bring people together to solve an onerous problem and enable strategic business objectives.

The CIO must lead in moving his or her organization to the cloud. But moving to the cloud is not about picking the best technology. It’s about shifting the culture and helping facilitate the company’s vision for big data and analytics. Nothing is more competitive than the public cloud. Period. If CIOs are not pushing to migrate to the cloud, their business will be obsolete three years from now.

Q2 Who are the CIO’s allies in moving payment accuracy to a cloud platform?

Centralizing payment accuracy processes requires operations, product management, analytics, claims and member administration as well as information technology teams to move together as equal partners. Only together can they solve the data problems that prevent claims and



SUBJECT MATTER EXPERT

Julie Durham is VP of software engineering and payment integrity at Optum. She leads more than 500 software engineers who drive and support the full suite of Optum payment integrity capabilities. Julie has more than 15 years of senior IT executive experience and has led high-performing technology teams across diverse industries and locations.

Hear Julie’s perspective on how CIOs are stepping up to lead the modernization journey.



LISTEN NOW

payment accuracy. These disciplines share authority and objectives, hold each other accountable and follow the same roadmap. When that occurs, success extends beyond reducing fraud, waste and abuse. It enables plans to respond to new business models, deliver real-time data and comply with evolving reporting requirements. These are all core benefits of modernization.

Moving to an open platform and giving business, engineering and analytics communities access to the same data in real time is a giant paradigm shift from classic architecture. The CFO and COO maintain and summarize business unit performance. But business unit leaders, who execute and run the business, are important strategic allies in aligning technology and operating models from end to end.

The CIO and CFO should work together to reconstruct the financial model to shift from an infrastructure to a service paradigm. Moving to the cloud changes the capital versus expense ratio. The plan will no longer own (or amortize) the hardware. The CIO also needs the CFO's support to invest in new talent — people who understand how to support continuous integration, data delivery and automation.

The CIO will also partner with the COO — whose goals include operational excellence — to pull data out of silos and accelerate speed to value. Also, the chief security officer will need the CIO to affirm how to achieve data security on the cloud. These kinds of discussions will grow in complexity as modernization efforts advance. That's why payment accuracy is a good starting point for all stakeholders. It nets income that can fund other transformative objectives.

Q3 **How do cloud competencies change the engineering culture in payer organizations?**

Running in the public or private cloud really breaks apart the “center of excellence” approach of limited accountability. The center of excellence (COE) approach was the flavor of the decade from 1990 to 2000, leading to IT departments with specialized engineers, high-cost and high-risk development intervals, and a disconnect between development and operations. The COE approach led to siloed systems that remain very difficult to integrate.

The cloud-forward CIO needs full-stack and DevOps engineers as well as a software-driven mindset. The interface between business and engineering teams has to be seamless. **The secret sauce in payment accuracy is getting high-end insights across the ecosystem and distributing those insights quickly to operational partners so they can execute.** Like I said before, it's not simply a technology problem. It's a business problem that must be approached and solved collectively. Truly modern companies across all sectors are unwinding the problem of how to integrate the people writing the code and the

*“Moving to an open platform and giving business, engineering and analytics communities access to the same data in real time is a **giant paradigm shift** from classic architecture.”*

— Julie Durham

There are technology and business shifts that CIOs need to embrace in the new paradigm. Julie explains.



LISTEN NOW

people who need the application in order to more rapidly and effectively execute solutions. Payment accuracy is the health plan's opportunity to pivot in this direction.

Q4 What are the impacts of big data on payment accuracy?

Like most businesses today, it's all about the data. The more accurate and real-time the data is, the better the insights. In a big-data environment, a health plan can bring together more contextual information to detect patterns and anomalies to improve payment decisions. Analytics build consistency and a common platform for decision-making between various departments. This enables upstream access to data that increases cost avoidance earlier in the payment process. Analytics can provide insight into complex fraud schemes that are difficult or impossible to understand with traditional techniques.

In data-driven organizations, the CIO has huge accountability to the data science team to make sure they have real-time access and the most modern tools. This is the place where performance can be dramatically improved — and payment accuracy is the perfect, foundational launch point.

Q5 Why now?

Health plans will need to “shift left” quickly. Without real-time and predictive decision-making analytics, they will be unable to compete with big-data organizations moving into the payer category. With cloud and data streaming architecture, plans gain the ability to pull insights earlier. They can scale up and down as needed, share tools and best practices among teams, and make continuously better queries and decisions. This helps them achieve payment accuracy throughout the value chain.

There is so much opportunity to innovate in payment processing — by enabling data scientists and operations to stay a step ahead. It's the perfect intersection between analytics, technology and operations. And cloud competencies make it possible to squeeze all kinds of value out at the lowest price point. If a health plan CIO can't modernize everywhere, payment accuracy is the ideal place to start.

Optum is taking a streaming architecture approach to data — driving insights in real time. Julie shares how.



Hear more from Julie on driving real value with payment accuracy. Listen to her podcast series now.

[Visit optum.com/PAPodcasts](https://www.optum.com/PAPodcasts)

