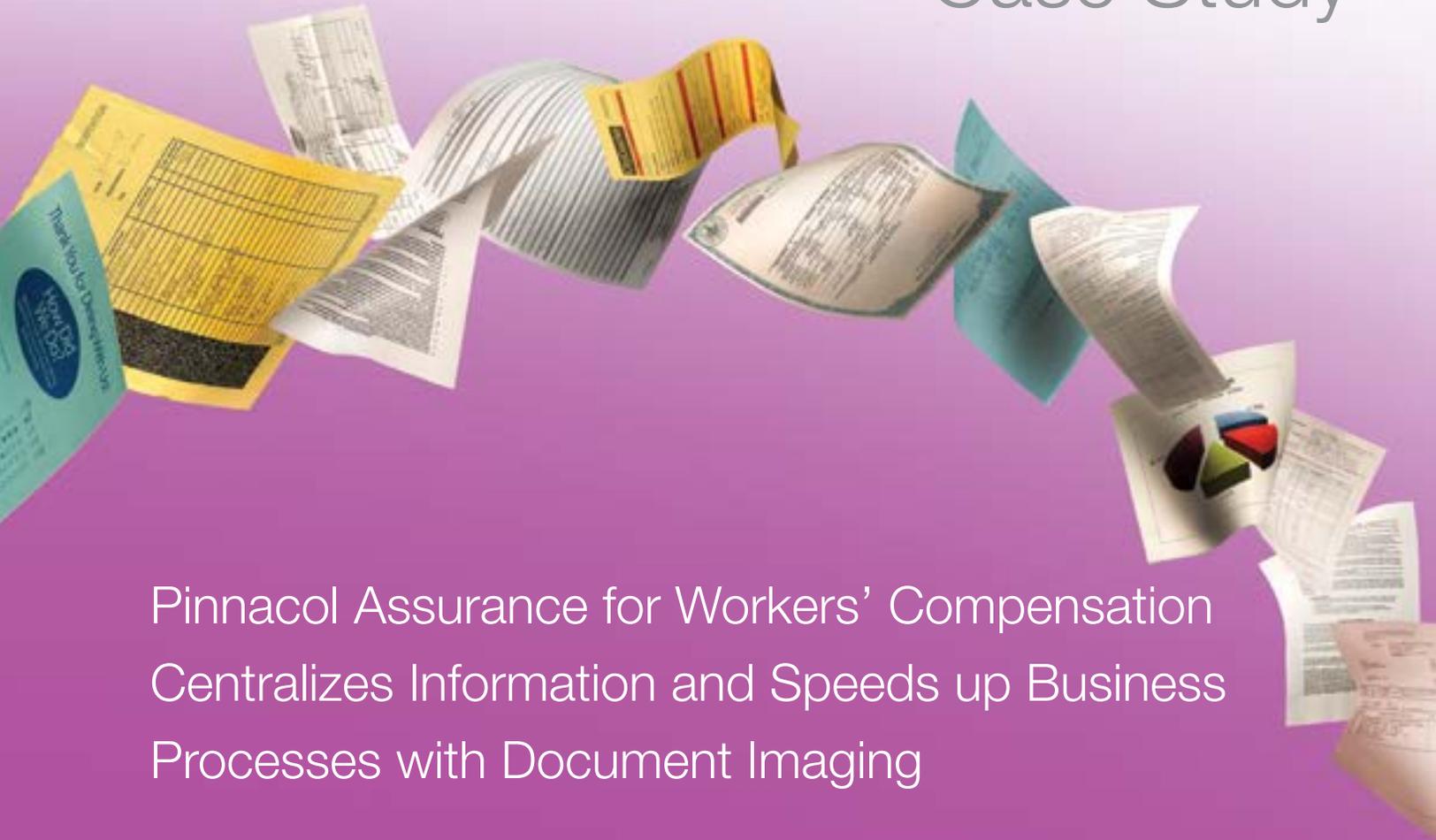


Case Study



Pinnacol Assurance for Workers' Compensation Centralizes Information and Speeds up Business Processes with Document Imaging

Pinnacol Assurance was established in 1915 as the assured source of workers' compensation coverage for Colorado companies, regardless of their size or risk. For 72 years the company was run by the state government and in 1987, the company was switched to operate with quasi-public authority status and have been operating this way ever since. Over the years, Pinnacol has grown from an industry pioneer to a company that manages total portfolios equaling over \$1.2 billion dollars for over 55,000 customers across the state.

Business Needs

There are many operational processes that go into fulfilling the workers' comp coverage needs of customers. Hundreds of thousands of workers' comp documents initially pass through the mail department. The mailroom at Pinnacol, which handles the medical billing for all cases, receives claim information, but then has to filter this information through a number of other people within the organization in order to get them processed. This passing from worker to worker can create quite an adventure for the case being handled.

Historically Pinnacol had home processors who would pick up MedPay records on a weekly basis and take them home to be processed manually. However, in 2004, the leadership of Pinnacol's MedPay department discovered that the organization could see potential benefits from moving all of their records to an electronic format. They implemented an electronic document management solution to help centralize content and information required for business continuity across all disparate parts of the organization.

Solution

They started the implementation process as a pre-project, which was an internal attempt to identify the right hardware and software to use. The approach they came up with was to handle the digitizing of their documents in-house. They evaluated several different document capture solutions and after careful analysis, narrowed their search down to one solution. After collaborating with that solution's vendor, they implemented a system to digitize all their documents. However, after attempting to use this solution over the span of 30 months, Pinnacol realized that it was not an effective long term solution. The software was too narrowly scoped, functionality was too limited, and it was not an adequate solution for a true mailroom environment. Pinnacol was required to create many manual steps and workarounds because of the limits of the solution and in turn, it did not meet their SLAs.

After the first attempt, Pinnacol decided to bring in Tromba Technologies, Inc, an enterprise solutions company that applies innovation and automation to help clients solve complex information management challenges. ***Pinnacol looked to Tromba to recommend the right hardware and software package to meet their needs and Tromba helped them find a permanent, long term solution for their document management problem – Fujitsu fi-series***

scanners and Kofax software. Tromba viewed Fujitsu as the most reliable hardware vendor offering unbeatable support.

Pinnacol implemented two fi-5900 series and two fi-5650 document scanners and used Kofax information capture solutions in conjunction with the Fujitsu hardware.

A major factor in determining the hardware and software for Pinnacol to use was that within its culture and environment, they did not have tolerance for much downtime. State regulations require Pinnacol to certify medical records within 15 days of receipt. Downtime means documents fail to get to people on time and those people are unable to do their jobs.

In 2005, Pinnacol began their Billscan project using the Fujitsu/Kofax solution implemented by Tromba. The Billscan project entailed the scanning of all MedPay department records. The initial phase of this project was finished in 2006 at which point all physical storage for MedPay was eliminated. An off-site storage space of 8,000 square feet that housed documents from various departments within Pinnacol was reduced by 2,000 square feet. The MedPay department was able to put over one million physical files all in one electronic location. Over the course of the project, Pinnacol's MedPay department also added six additional fi-5900 series scanners from Fujitsu so the department could handle even more document imaging.

The initial success of the MedPay department's Billscan project has led other departments within Pinnacol to look into implementing document management solutions from Tromba. The executive team saw the benefits of paperless document management and decided to move forward with document imaging projects for all departments across the entire organization. They brought in Doculabs, a consulting firm specializing in e-business projects, to complete a full analysis of the entire organization. The consultants analyzed how document imaging projects were currently run and where they really needed to be. Pinnacol's executive team wanted a nonbiased third party to provide feedback and recommendations to validate they were using the right document imaging platform before they proceeded with digitizing projects throughout the entire organization. After Doculabs completed their analysis, they reported

that the solution implemented by Tromba Technologies was exactly the right one they should be using and they were getting the results out of it that they should expect.

Following the Doculabs analysis, the executive team at Pinnacol created an oversight committee to manage the flow and timeline of all digitizing projects for the company. Pinnacol made it a strategic goal to go paperless throughout the company and the oversight committee created a roadmap for doing so.

Benefits

After the completion of Pinnacol's first MedPay document imaging project, the company realized that it increased the security of those documents and turnaround time. The project enabled employees to do their jobs faster and better. Very short SLAs can be set and documents can be delivered within seconds, instead of hours or days. Pinnacol also realized that the project provided job enrichment for the employees work-

ing in the mailroom. Prior to the Billscan project, they were simply required to record policy numbers and deliver documents; but now that their documents are all digitized, they are learning technical skills related to the documents and the industry. This has created a significant opportunity for them to enrich their jobs and become more valuable within Pinnacol.

“The part of the Billscan project that most impressed me was the scope of it,” said Amanda Gould, Corporate Service Manager, Pinnacol Assurance. “With workers’ comp it’s easy to overlook the records department, but that group impacts 20 other departments within the organization. The MedPay department is scanning around four million pages a year now and that will triple or quadruple in the coming years. This one project resulted in benefits for the entire company.”

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