Overview

Coventry Health Care is a national managed healthcare company based in Bethesda, Maryland operating health plans, insurance companies, network rental / managed care services companies, and worker’s compensation services companies. Coventry provides a full range of risk and fee-based managed care products and services, including HMO, PPO, POS, Medicare Advantage, Medicare Prescription Drug Plans, Medicaid, Workers’ Compensation, and Network Rental to a broad cross section of individuals, employer and government-funded groups, government agencies, and other insurance carriers and administrators in all 50 states as well as the District of Columbia and Puerto Rico.

Coventry contracts with various types of providers (individual physicians, Medical Groups, Hospitals, Laboratories, etc.) in support of their healthcare products and services. Coventry negotiates contracts with providers and facilities to deliver cost effective healthcare services to its health plan members and clients. These contracts contain legal clauses defining the relationship of the provider to the company and include attachments that vary in detail and complexity on what services will be paid in what manner. Contracts with facilities tend to be more complex than those with individual providers, and the contract negotiation process for facilities often results in deviations from standard contract language and fee schedule attachments.

Coventry’s Contract Management Procedure Before CLM Matrix

Coventry’s method for managing these Provider contracts was fragmented and decentralized. Each health plan would create, store and maintain contracts at different locations using different methods— from paper, Access databases, MS Word, PDF, and TIFF formats. No formalized system was in place for internal contract approvals between stakeholders (such as Network Management, Legal Provider Services Administration, Actuarial, Quality Management, etc.), making it difficult to know the status of contracts under review.

Once signed, contract information would be passed on to implementation teams via additional data entry forms (MS Word) and these teams would manually re-enter this information into multiple systems. The risk of misinterpretation and data entry errors was significant. Additionally, Coventry’s contract management procedures made it very difficult to assess contract payment performance, proactively renew agreements or meet various audit requirements.

With health plans being managed in approximately 20 locations across the country, interconnected through a LAN/WAN infrastructure, employees use a mix of regular Windows based PCs as well as thin clients (Win Terms). The number of contracts and differing systems was quite significant:

- There were approximately 500,000 existing contracts, each contract averaging 40 to 50 pages in length (including attachments).
- There were approximately 3,500 new contracts created each month.
- Employees modified approximately 12,000 existing contracts for renewals, adjustments, and terminations each month.
- Approximately 500 employees were involved in administering, negotiating, and implementing contracts. A larger group of employees also needed contracts for reference and processing purposes.
Solution

Coventry reached out to a select few companies they felt would understand their business needs and provide the most cost effective solution. The vendor short list included IBM, Emptoris and CLM Matrix. After a thorough review, Coventry selected CLM Matrix to create their Provider Contract Management System to better manage provider contract documents and improve their processing efficiencies.

“Because understanding the process, flow and lifecycle of contracts is our only business, we’re able to provide organizations such as Coventry the most cost efficient, flexible and user-friendly solution on the market,” says Tim Sparks, CEO of CLM Matrix.

CLM Matrix began the Coventry process as they do with each client—at the very beginning; asking the most basic question, “What’s the first step in creating a new contract? What happens when someone says, ‘we need a new contract for...’?”

“It’s the little things that can have a major impact,” says Sparks. “Take the initiation of a contract. Does the person who’s creating the contract truly understand which type of contract they should be starting with? Should we set up questions and rules at this stage so that an employee with less experience can be confident and correct in setting up a new agreement?”

This Contract Excellence Process Methodology is at the heart of all CLM Matrix solutions. Mapping out the process is the most critical part of building an efficient and effective system. It’s through this process that CLM Matrix is able to collapse the cycle times, create centralized repositories, and provide visibility for all stakeholders.

Result

Through CLM Matrix’s software solution, Coventry has realized millions of dollars in cost savings. They’ve also dramatically reduced their cycle times, days-outstanding receivables, and input errors.

The Matrix-Enterprise software allows them to have a centralized repository for all their contracts and the wizard-based tools give them the flexibility to dynamically build their contracts. Among the many efficiencies this system provides is the centralized legal library. Here the company can change any clause in any contract type and have the clause immediately entered in to all associated contract templates.

Another benefit to Coventry was the fact all of CLM Matrix’s solutions are built on top of Microsoft’s products. As a Tier I Gold Certified Partner, this meant Coventry users would be working with a system they were already familiar with; the IT Departments would be able to easily and efficiently implement and maintain the system; and they’d have a system that was in alignment with their existing infrastructure.

The bottom line — this national health care organization is realizing impressive cost savings with improved governance adherence... Allowing Coventry more opportunity to focus on other areas that drive real business value.

CLM Matrix is the market leader in Contract Lifecycle Management (CLM) software solutions on Microsoft Office and SharePoint technology platforms. Our solution extends the functionality of traditional contract management software by adding features such as:

- Rule-based document creation
- Clause libraries
- Policy-based approval workflow
- Automated reminders and alerts
- Real time user defined reporting
- Integration with legacy enterprise software
- Contract compliance tracking
- Multi-language capabilities
- Support for global environments
- Fully configurable to specific process and document types without code (wizard driven)

To learn more about CLM Matrix and our award winning software solutions, please visit clmmatrix.com or contact us directly at 1.800.961.6534.

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