

RULE X PRESS

THE BUSINESS TOOL FOR EXPRESSING AND COMMUNICATING BUSINESS RULES.

HEALTHCARE

COMPANY Healthcare Insurance Company

CHALLENGE Improve cash management and empower business users to drive change initiatives

SOLUTION Adopt RuleXpress and a business rules methodology across the enterprise

RESULTS 80% reduction in change cycle time and effective management of rules across multiple implementation technologies

This customer, who wishes to remain anonymous, is a non – profit health insurance company that has been providing local and national health coverage for over 50 years. They offer products in medical, pharmacy, health improvement and financial services to a member population of several million.

Information in this case study is based on customer interviews conducted by James Taylor.

© DECISION MANAGEMENT SOLUTIONS

CHALLENGE

The company needed to improve its cash management process through better administration of claims payment timing. They need to enable the Treasury Department and Claims Operations to rapidly respond to changes in their business environments, while ensuring compliance. A complex set of Federal and State mandates and diverse customer agreements relate to claims payment. The old system meant that the company was applying a single, rigid standard to all claims payments. This mainframe system was inflexible and hard to change. It was not possible, for instance, to define rules specific to customer segments or product lines. Finally, any and all changes required IT resources and the availability of those resources was a serious constraint relative to the business need to respond rapidly.

In addition, the company had a history of driving initiatives from within the IT organization instead of from within the business units that needed the changes. They wanted to establish an approach to development projects that allowed business people to capture rules and processes and define better requirements. Business people could then own their definitions and take control of their systems. Previous attempts to use spreadsheets and even custom database applications to capture rules had failed to deliver the kind of manageability they required.

SOLUTION

The solution is based on RuleXpress and Pegasystems' rules-driven BPM suite. It accommodates two different legislative mandates and custom agreements with many large customers. The business perspective is captured through process models and through business rules specified in RuleXpress. These rules feed directly to business and system requirements. This business perspective also supports a change management methodology and RuleXpress provides a central, vendor-neutral repository for business rules.

Rules management is housed within Enterprise Business Architecture Services – a group that reports to the Senior VP of Operations and indirectly to the CIO. This group is chartered to drive business execution through the design of value-based business solutions that enable enterprise strategies and optimize product and service delivery. Within this group is an enterprise-wide Rules Management Office or RMO. This group manages the RuleXpress implementation and provides training, best practices and support for Rule Stewards throughout the company. Half the Rule Stewards are in this group and are focused on supporting the capture of rules and terms in multiple projects while ensuring they can be reused enterprise-wide. The remaining Rule Stewards are business subject matter experts who are part of the business organization. This structure is supporting 25-30 projects from very large to very small, some with and some without a business rules management system implementation.

The Claims Cash Management project took approximately four months from start to finish. Once up and running regular changes were expected and supported. For the Claims Cash Management project one RMO Rule Analyst and one Independent Rule Steward were responsible for capturing and managing rules in RuleXpress. Some of the business rules are owned by Claims Operations and some by the Treasury Department. The rules have since been transitioned to two Independent Rule Stewards within these functional areas for ongoing management.

The use of RuleXpress as a business-level repository allows changes to be specified by the business in a non-technical environment. The members of the governance committee, important in a heavily regulated industry such as healthcare, come from many different areas of the business. All are able to review the RuleXpress changes and approve them. Once approved, the changes are passed on to the Business Integration Analysts to make implementation changes in the rule

engine application. Thanks to the ability of RuleXpress to contain links to implementation details, thorough impact analysis can be conducted.

As part of adopting a business rules approach and a business rules management system, the company worked with Business Rule Solutions and adopted the Proteus business rules methodology. RuleXpress was a perfect fit for this approach and was adopted to manage the specification of rules. RuleXpress is being used on an enterprise level for all rule-based solutions. As the company has three distinct business rules engines in house, as well as many rules implemented as code, RuleXpress provides the only repository that is implementation-independent and specific to the business at an enterprise level.

RuleXpress delivers:

- **Easy and effective management of Terms**

RuleXpress provides complete term management, supporting term definition, information links and navigation facilities. Business users can see term definitions from rules, navigate, conduct impact analysis and determine traceability. Integrated look-up for Terms and automatic identification of defined Terms make it easy to use terms in rules. And RuleXpress manages preferred terms and synonyms and generates a comprehensive glossary of terms for use throughout the enterprise.

- **Ease of use for business people**

Intuitive and easy to use, RuleXpress has a non-technical interface that allows non-technical users to create and manage business rules and terms. Users get up to speed quickly and find it easy to use day to day. RuleXpress avoids any use of pseudo code or technical jargon, and supports writing in local languages.

- **Rule and term quality**

RuleXpress provides built-in quality checks for business rules and terms. These quality checks keep everyone honest and improve the clarity and usability of rules and terms. RuleXpress makes it easy to apply best practices and organizational guidelines.

RESULTS

Significant dollar savings have been achieved from the use of business integration resources rather than IT resources for each update. Every iteration multiplies this benefit. The use of RuleXpress in conjunction with the rules methodology has reduced development and implementation cycle times and increased business agility. The company has gone from an 8 week build cycle with IT to a business-driven cycle of less than 10 days – an 80% reduction. This has allowed the redeployment of IT resources to focus on other, higher value activities.

Despite the need for multiple reviewers and multiple levels of regulatory compliance, changes can be made in a week to 10 days. In one 4 month period 11 significant updates to the business rules were identified, designed, reviewed and deployed without problems.

The IT department compares this process very favorably to previous approaches, finding that missed requirements and therefore “warranty” work are minimized. Some developers have started asking their business users for rules and fact models even where a rules engine is not the target implementation. They value the increased clarity of requirements inherent in the approach. Data architects too appreciate the approach, preferring a package of fact models, terms and rules for each update. Even part time users of the tool have given positive feedback, finding it approachable and easy to use.

“The output from RuleXpress makes the business requirements so clear and easy to implement, that our lead implementation architect does not advocate moving forward on new projects without using the business artifacts generated out of RuleXpress.” Said the business lead. “She wants a fact model and well-defined business rules before the IT development team even starts their work.”

PLANS FOR THE FUTURE

The IT department is interested in using their requirements tool – Rational RequisitePro - and RuleXpress together. The IT department really values how RuleXpress can bring the business in to the requirements management process and want to extend that. The company also plans to start using FactXpress as soon as it is integrated with RuleXpress.