NUCLEUS RESEARCH

ROI: 441%
Payback: 2.4 Months

RINGCENTRAL
HEALTHCARE CLAIMS MANAGEMENT

ANALYST
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THE BOTTOM LINE

Healthcare Claims Management (HCM), a revenue cycle management company serving the healthcare industry, deployed RingCentral Contact Center and RingCentral Office due to the flexibility within the platform allowing for the integration of future technology as well as the reliability of a cloud-based solution. As HCM adopted a cloud-first approach, the team needed a platform to meet the integration needs of future projects. RingCentral helped the company save $1.2 million in annual operational costs and just over $1 million annually in personnel costs. In the end, the company realized a 441 percent ROI and recovered its initial investment in less than three months after implementation.

THE COMPANY

HCM provides day one revenue cycle management, hospital accounts receivable management services, managed call center, and insurance optimization for hospitals and healthcare facilities. The company is headquartered in Indianapolis and provides solutions for customers across the country. HCM aims to humanize the patient experience and create easily accessible data for all parties involved. Their strategy leads to increased patient engagement and satisfaction, which in turn improves the overall operations of a healthcare facility. Nucleus conducted an in-depth interview with HCM to discuss the costs and benefits of the project.

THE CHALLENGE

Healthcare Claims Management previously deployed an outdated and on-premises Mitel communications system that continued to require significant investment each year to maintain. As HCM was adopting a cloud-first environment, the company had integration needs for future projects that it felt Mitel could not support. Additionally, HCM saw issues with availability and occupancy on the Mitel communications system when measuring the abandonment rate. Mitel lacked support for customer experience enhancements such as callback in the queue, which translated to more abandoned calls and fewer conversations with clients surrounding the billing cycle. Before moving forward with RingCentral Contact Center and RingCentral Office, HCM considered solutions such as Five9, 8x8, Ontario Systems, and reinvesting in the Mitel systems.

With the maintenance cost of the Mitel systems increasing year after year and the system's overall functionality declining, HCM found its call center overstaffed. The legacy solution continued to drive inefficiencies and required more call center agents to maintain the same level of operations. Additionally, the systems administrator would spend 60 to 70 hours per month supporting the Mitel systems. Overall, the cost per call on the Mitel solutions was $14.50, and the company was 3,480 hours annually overstaffed with call center agents. The on-premises legacy system could not compete with modern solutions leaving the company in need of a new cloud-based communications solution to improve efficiency throughout the call center.

THE STRATEGY

After determining that it needed a new contact center solution to help with process efficiencies, the company considered solutions like Five9, 8x8, Ontario Systems, and continuing with Mitel. Management chose RingCentral solutions due to the simplicity of the applications and UI, which led to a streamlined approach and an ease of use that they had

not experienced with other solutions. The flexibility of RingCentral Contact Center and RingCentral Office enabled future technology growth as RingCentral simplified integration of external applications and solutions. Furthermore, management saw the long-term benefit provided by a reliable cloud-based platform. RingCentral Contact Center had the flexibility to meet HCM's complex routing needs. HCM looked to leverage RingCentral Contact Center's call back in queue feature to increase client satisfaction and reduce the call abandonment rate.

When looking towards the RingCentral deployment, the HCM team focused on several factors: creating a modern cloud-based communications environment, supporting future technology needs as operations expand, increasing call agent satisfaction to reduce turnover, and decreasing call abandonment rate to drive revenue. The implementation project was handled by a team of three employees who devoted their time to support the transition from Mitel to the RingCentral platform.

Cost : Benefit Ratio | **1 : 6.2**

KEY BENEFIT AREAS

Key benefit areas seen as a result of the RingCentral deployment include time savings on phone support and call duration, improved employee productivity, reduced personnel hours, and cost savings attributed to avoided hires.

- **Cost Savings from Avoided Hires.** HCM saved over $1 million annually through avoided hires and redirected personnel. The company deployed 115 call center agents on the old solution, and through the Workforce Management solution within the RingCentral Call Center, the company reduced the number by 23 percent to 88 agents. The management team attributed this significant reduction in staffing to the RingCentral platform and Workforce Management solution's improved data flow.
- **Cost Per Call Savings.** With an average of 19,000 total inbound calls per month, RingCentral helped the company save over $1.2 million in annual operational costs by reducing the cost per call. The cost savings were attributed to a multitude of efficiency gains such as call center agents at HCM reduced the overall time spent per call by 30 seconds. With RingCentral, call center agents increased overall efficiency and could do more in less time, leading to a reduction in the cost per call from $14.50 to $9.00.
- **Increased Employee Productivity.** RingCentral alleviated the overall time spent supporting the solution for the systems administrator by reducing the phone support

time from 60 to 70 hours per month down to 4 hours per month. Furthermore, HCM leveraged the modern environment of RingCentral and lowered training costs by 83 percent with training time reduced from three days to just four hours. The flexibility of the RingCentral platform and the overall customizability further improved how agents handled call flow, which drove efficiencies and enhanced patient engagement. On the Mitel systems, the cost to onboard all 115 agents cost $46,368 and with RingCentral, this figure reduced to $5,913. Another factor centered around the usability of the legacy Mitel system as compared to RingCentral. When HCM needed to make adjustments on the legacy communications system, such as adding another agent to a different ACD path, the process was cumbersome. With RingCentral, the process of moving agents around and changing ACD paths takes a few seconds. RingCentral also enables companies to flex their agents across multiple clients leading to further efficiency gains by allowing agents to work multiple accounts.

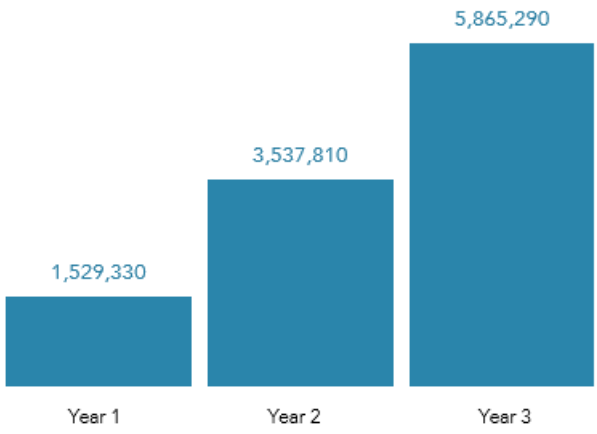
- **Decreased Agent Churn Rate.** After switching to the RingCentral Contact Center, HCM quickly realized an increase in agent satisfaction and a reduction in turnover. The RingCentral Call Center offered a modern working environment and allowed for more flexibility when handling calls. With RingCentral, HCM saw the agent churn rate decrease from 25 percent to 10 percent after switching from the legacy communications system. Furthermore, the RingCentral Call Center allowed HCM to effortlessly deploy remote call center agents and fully leverage the RingCentral platform from home. The flexibility of deployments helped drive down the churn rate and raise satisfaction. The reduction in churn rate also translated to a reduction in training costs as fewer new agents were on-boarded over time.
- **Increased Efficiency.** With the Mitel systems, call center agents spent more time on the phone leading to fewer total calls handled per day. The company was 3,480 hours annually overstaffed with call center agents before RingCentral. After deployment, the company realized a 20 percent improvement resulting in 696 hours of time savings. Supervisor reporting time is continuously reduced on RingCentral through real-time dashboards and the automation of call center reporting, leading to a 30 percent reduction in overall time spent on reporting and tracking data. The time savings come out to 1,377 hours saved annually across nine supervisors. This 20 percent gain is reinvested back into more value-add areas giving the company around $37,000 in annual value.
- **Increased Customer/Patient Engagement.** On the legacy Mitel communications system, HCM highlighted the issues surrounding the availability of call center agents. HCM could not deploy any convenience options (e.g., callback in queue) to clients on the Mitel system leading to an increased abandonment rate, which is a KPI that heavily impacts their clients. With RingCentral, HCM call agents increased their availability as RingCentral allowed for a callback in queue where clients are notified about an available agent instead of waiting on the phone. Additionally, the

application's simplicity increased HCM call agent's availability leading to an increase in the number of inbound and outbound calls handled. From an outbound standpoint, the increase in patient engagement and agent availability translated to a higher output as agents can call and follow-up with more patients. From an inbound standpoint, the convenience factors helped decrease the abandonment rate to 20 percent, meaning agents had more conversations to drive the review of the billing cycle on behalf of their clients.

KEY COST AREAS

The most significant cost area of the RingCentral deployment was the subscription cost of the solution itself, which soon provided a full ROI and further cost savings. Other costs over the three-year period include implementation fees and minor costs associated with the physical purchase of phones.

CUMULATIVE NET BENEFIT



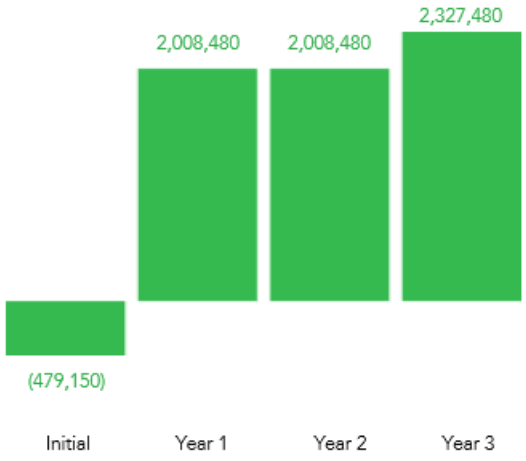
LESSONS LEARNED

The inefficiency of call handling provided by the previous contact center solution led to challenges around reaching a larger number of customers on a given day and ultimately increased total personnel hours as time went on. The Mitel systems lacked a modern and flexible working environment leading the cost per call to increase as call center agents spent more time on the legacy solution than was necessary. The Mitel systems proved to be inefficient requiring 27 more agents to achieve the same operational efficiency as the

RingCentral platform. With RingCentral, HCM saved over $1 million annually in personnel costs that could be applied to more value-driven processes throughout the company. HCM was proactive in recognizing and addressing the Mitel communications system's shortcomings, and the deployment represented a step forward for the organization's growth.

With RingCentral, HCM teams and call center agents took the solution to production out of the box with powerful tools to aid in time savings and cost efficiencies. On the management side, RingCentral improved the overall reporting time with real-time dashboards and automation for call center reporting. For call center agents, RingCentral alleviated unnecessary steps and roadblocks to help improve call handling efficiency and overall patient engagement and satisfaction. Agent satisfaction increased on the RingCentral platform as HCM saw the agent churn rate decrease from 25 percent to 10 percent after switching from the legacy communications system. Furthermore, deploying remote call center agents and fully leveraging the RingCentral platform from home helped drive down the churn rate and raise satisfaction. While this decrease in churn rate was in part due to the COVID-19 pandemic, HCM acknowledged that much of this is attributable to the RingCentral platform as it was more intuitive and easier to use than any previously deployed solution. The contributing factor to improved agent productivity came from an easy-to-use UI and the Workforce Management software within the Contact Center, which enabled HCM to gather more cohesive data to understand better which areas could be improved. Reducing the cost per call by $5.50 and the total time spent per call by 30 seconds provided multi-million dollar cost savings surrounding efficiency gains, avoided hires, and redeployed workers.

NET CASH FLOWS



This deployment demonstrates how an organization can effectively implement and manage a modern communications, collaboration, and contact center solution without a complex implementation. Three employees oversaw the entire deployment, with two of the three employees dedicating less than 25% of their time to the implementation. The deployment

team could work minimal hours on the deployment and focus some attention on exploring extra tools such as management tools to support future growth on the RingCentral platform. The continuing support of the solution came down to four hours per month for the systems administrator as opposed to 70 hours per month on the Mitel system. A single upper-level manager dedicates four to eight hours per month on meetings to ensure the company is tracking certain initiatives within the platform and that things are going smoothly overall. With the ease of deployment of solutions like RingCentral, companies in a similar situation to that of HCM can see this use case as an example of why alternatives must be explored. There is always room to create more efficient processes, reduce costs, and improve employee productivity. Solutions such as RingCentral, which aim to deliver cost-effective communications, collaboration, and contact center solutions, are well-suited towards delivering a holistic communication and collaboration experience.

CALCULATING THE ROI

Nucleus Research analyzed the costs of software, hardware, personnel, professional services, and user training over a three-year period to quantify HCM's total investment in RingCentral technology.

Indirect benefits quantified include the time savings for employees from streamlined call handling and reporting, centralized data, reduced training, and reduction in the overall cost per call. The indirect benefit is multiplied by a correction factor to account for the inefficient transfer of time between time saved and additional time spent working.

Benefits not quantified include improved customer satisfaction, increased operational visibility, and improved management practices.

FINANCIAL ANALYSIS

Annual ROI: 441%
Payback period: 0.2 years

BENEFITS	Pre-start	Year 1	Year 2	Year 3
Direct	0	1,076,760	1,076,760	1,076,760
Indirect	0	1,254,000	1,254,000	1,254,000
Total per period	**0**	**2,330,760**	**2,330,760**	**2,330,760**

COSTS - CAPITALIZED ASSETS	Pre-start	Year 1	Year 2	Year 3
Software	0	0	0	0
Hardware	0	0	0	0
Project consulting and personnel	0	0	0	0
Total per period	**0**	**0**	**0**	**0**

COSTS - DEPRECIATION	Pre-start	Year 1	Year 2	Year 3
Software	0	0	0	0
Hardware	0	0	0	0
Project consulting and personnel	0	0	0	0
Total per period	**0**	**0**	**0**	**0**

COSTS - EXPENSED	Pre-start	Year 1	Year 2	Year 3
Software	390,000	319,000	319,000	0
Hardware	5,000	0	0	0
Consulting	0	0	0	0
Personnel	84,150	3,280	3,280	3,280
Training	0	0	0	0
Other	0	0	0	0
Total per period	**479,150**	**322,280**	**322,280**	**3,280**

FINANCIAL ANALYSIS	Results	Year 1	Year 2	Year 3
All government taxes	45%			
Cost of capital	7.0%			
Net cash flow before taxes	(479,150)	2,008,480	2,008,480	2,327,480
Net cash flow after taxes	(263,533)	1,104,664	1,104,664	1,280,114
Annual ROI - direct and indirect benefits				**441%**
Annual ROI - direct benefits only				180%
Net Present Value (NPV)				2,778,674
Payback period				**0.2 years**
Average Annual Cost of Ownership				375,663
3-Year IRR				418%

All calculations are based on Nucleus Research's independent analysis of the expected costs and benefits associated with the solution.