US Health Insurer selects Aptitude Software for Finance Transformation

Aptitude™ SOFTWARE

Major organization anticipates saving millions with finance calculation engine & accounting hub

Client Background

After years of growth and acquisitions, one of the largest US Health Insurers – operating in multiple countries and with tens of billions of dollars per year in revenue – was burdened with an extremely complex financial accounting system. Their large portfolio of applications was costly to maintain, not well integrated and posed compliance and regulatory reporting risks. Even with identified system limitations, spending for legacy accounting applications was in the tens of millions of dollars a year.

The company envisioned implementing an accounting hub with a sub-ledger that would allow them to streamline and centralize their existing finance architecture. They needed a solution that would reduce pressure on their General Ledger which had been pushed to the brink after years of ingesting all required reporting data from applications and new acquisitions. They also saw a significant business case in implementing a rebate calculation engine to automate calculations for complex sharing arrangements and enable the introduction of new sharing models to existing and new areas of the business.

After coming in at 25%-50% of the cost when compared to other alternatives, Aptitude Software was selected to deliver an Accounting Hub and rebate calculation engine. The solution is currently in the implementation phase.

> *The Aptitude Accounting Hub and rebate calculation engine will provide significant out-of-the-box functionality and a better and faster ROI when compared to other alternatives.*

CLIENT
US Health Insurer

SIZE
Annual revenue of tens of billions of dollars

CUSTOMERS SERVED
Tens of millions of customers served

KEY CHALLENGES:

- Standardize and automate accounting for all rebates
- Streamline complex financial systems environment
- Reduce costs
- Allow for future acquisitions to be easily integrated
- Improve the speed, quality, transparency and compliance of financial output and reduce the risk of system failure and SLA misses due to the limits of current applications

ANTICIPATED RESULTS:

- The rebate calculation engine is expected to provide significant cost savings for the business through more timely and accurate rebate calculations and reduced manual processes
- Solution offers better and faster ROI with better functionality vs. competing alternatives
- Sub-ledger will reduce pressure on the General Ledger by retaining supporting transaction level detail for reporting, analysis and audit requirements
- Positions the organization to scale through acquisitions and respond to new regulatory and business requirements

Equipping CFOs to fulfill their strategies

A **microgen** plc company

Solution Details

The project has two key aspects. The first area of focus will be to implement a rebate calculation engine. With an ironclad business case identified and a quick ROI timeline, the rebate engine will achieve two key business goals.

First, it will replace the current application which could not perform the necessary complex calculations to allow the business to share in rebate revenues relating to all customer types. Second, it will reduce the effort and cost of manual processes. For example, the rebate engine will allow for systematic feeds of rebate funding & sharing agreements, reducing costs and improving quality by decreasing manual errors. It will also automate the calculation of payments for contractually agreed upon terms.

Implementing a sub-ledger will allow the company to easily integrate new acquisitions and improve the speed, quality and compliance of financial output.

The second project aspect is the implementation of the Aptitude Accounting Hub (AAH) which includes data integration capabilities, an accounting engine, and sub-ledger. It will also allow them to leverage existing data warehouses.

This addresses their strategic goal of creating a functional foundation that will simplify their architecture, improve the speed & quality of financial reporting and allow them to more easily integrate acquisitions. The sub-ledger will allow the business to retain the transaction level detail required to substantiate ledger balances and store data necessary for industry specific reporting like 3RDD & MLR. Removing this level of detail from the general ledger will improve its performance and lower the risk of system failure. Additional solution capabilities will include handling an increased volume of transactions and journal entries, reducing close times, addressing foreign currency transactions and report generation.

About Aptitude Software

Aptitude Software serves CFOs with a range of specialist finance applications that streamline accounting and finance processes and address challenges like finance transformation, centralizing accounting logic, profitability analysis, regulatory change and more. Our solutions can be found in some of the largest organizations in the world.

Looking to the Future

With the implementation of the rebate calculation engine and the Accounting Hub, this leading health insurer will move closer to a business goal of a more automated, centralized finance architecture that will allow them to reduce costs in the short term and accommodate future growth over time.

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