

CASE STUDY

Corridor Company
Works with
Blue Cross of Idaho
to Improve the Approval
and Management of
Thousands of Contracts



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WITH CONTRACT TYPES that differed in their review, approval and management, and were located and accessed in different physical locations, Blue Cross of Idaho needed a contract management solution that could improve the efficiency and reduce the risk associated with its contract management. Blue Cross of Idaho implemented Corridor's Contract Management App for SharePoint, CM[.app]™, to dramatically improve the management of its contracts.

Blue Cross of Idaho

Blue Cross of Idaho is an independent insurance agent selling commercial and personal health insurance. With over 850 employees and 800,000 members, Blue Cross of Idaho operates in an industry which is heavily regulated. Their business touches plan members, providers, employers and brokers. Idaho's oldest health insurer, Blue Cross of Idaho is headquartered in Meridian, Idaho.

The Business Problem

Many organizations find that without contract management technology, increasing efficiency while reducing risk is a hit-or-miss effort. Blue Cross of Idaho was no exception. With their physical filing system, finding a contract, or the person currently working on it, was time-consuming and frustrating. Managing these contracts once they were executed was also a challenge. As Blue Cross planned to implement a contract management system, they needed to take into consideration the different pre and post execution steps for their different contract types. These contract types included their **Vendor Contracts** and **Non-Disclosure Agreements**, and their **Broker** and **Provider Contracts**.

Because of the physical nature of their **Vendor Contracts**, the approval process for a contract as well as its management post execution was time-consuming, with considerable risk of error. For Vendor Contracts, the approval process was relatively complicated and required review by several stakeholders, including legal and compliance. This process was person-to-person, with draft versions moving between departments for review. It was incumbent on the staff to direct the contract to its next stage of approval. The version that was reviewed for final approval might have annotations or even sticky notes to explain the input of the earlier reviewers. A full recapitulation of the process with an audit trail of approvals was not available. Additionally, the status of a contract was not readily available, and the movement of the contract through the process required constant human intervention.

The management of executed Vendor Contracts was also challenging. As the paper contracts were in physical storage, with no corresponding electronic metadata, creating even simple

reports was not possible. For example, the paper-based system could not produce a report showing all contracts by termination date - which often required 30 or 60 day advance notice – something that would allow Blue Cross of Idaho to decide early whether it wanted to terminate or renegotiate and avoid auto renewals.

Additionally, even prior to the initiation of the Vendor Contract, there were challenges associated with the **Non-Disclosure Agreements (NDAs)** required of all vendors. A routine NDA process with straightforward contracts was carried out manually with no centralized way to insure that the NDAs were initiated or completed.

Management of their **Broker** and **Provider Contracts** provided different challenges. These contracts are many in number, with 2,000 being processed in any one period, but simple in their approval process. Once these contracts are approved, a team of clerks begins a complicated series of actions requiring review of the executed agreements. One clerk may need access to as many as 600 contracts – a problem when the hardcopy contracts were in files. With twelve clerks at work processing Broker and Provider Contracts, it was impossible to know who had which contracts at any one time.

Blue Cross of Idaho's Selection Process

Already using SharePoint for IT project management, Blue Cross of Idaho wanted to leverage their investment for the management of their contracts. Corridor's Contract Management App for SharePoint or CM[.app] fully satisfied Blue Cross of Idaho's requirements. CM[.app] substantially augments the native contract management functionality in SharePoint to create a powerful contract creation, management and compliance reporting tool.

Using CM[.app], Blue Cross of Idaho can support a variety of contract types including Vendor Contracts, NDAs, Broker Contracts and Provider Contracts – all while maintaining the confidentiality required of a leader in the healthcare industry. Contracts can be readily assembled using contract templates and later maintained in native MS Office technologies. Automated workflow and electronic signature can be applied for accelerated approvals and agreement executions. With the contracts in the system, Blue Cross of Idaho can run regularly scheduled reports to ensure that they are complying with their contractual obligations.

Outcome

First focusing on its Vendor Contracts and NDAs, Blue Cross of Idaho was able to realize the following process benefits with CM[.app]:

- NDAs can be initiated by any authorized personnel and are processed electronically through a simple workflow and e-signature.
- Use of e-signature has saved time and effort, improved vendor response and experience, and helped gather vendor responses to approve-or-disapprove questions as part of contract signing.

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- All executed contracts are now stored in a single electronic repository. Search for contracts takes place electronically.
 - Metadata associated with contracts allows for reporting on all contracts by categories such as renewal date – allowing for prioritization of work and driving workflows. Blue Cross of Idaho can more effectively negotiate its renewals and avoid costly auto renewals.

Most important, Blue Cross of Idaho now has better control over their Vendor Contracts. As contracts are drafted, reviewed, negotiated and approved, they move through a formalized multi-stage approval process which is initiated and managed through an automated workflow. Contracts are understood and reviewed more thoroughly, and the final signer can see all prior approvals as part of the contract's history.

“Sounds obvious, but the ability to readily find our contracts in one known place has introduced immeasurable value to us.”

**Tim Wolf, Systems Analyst,
Blue Cross of Idaho**

As with Vendor Contracts, a searchable repository eliminated many bottlenecks for Broker and Provider Contracts. Now multiple clerks can access the same contracts at the same time. Contracts are findable by various criteria (for instance, tax ID), and clerks, as well as others, have immediate simultaneous access to a variety of contract information including number of contracts in process as well as signature status of these contracts.

The adoption of CM[.app] brought other new capabilities:

- Broker and Provider Contracts are now sent for electronic signature in batches and tracked using the contract management system – a process that used to require as many as six people tracking contracts on paper. As a point of reference, in 2014, having sent 600 broker contracts out for electronic signature, 93% were signed and returned in the first two days. Clerks can see at a glance which contracts have not been returned and follow up, as needed.
- Automated workflow gives Blue Cross of Idaho better control of their process. Clerks can proceed with other tasks concerning providers and brokers only after the status of the relevant contract has reached the “signed” stage.
- Reportable metadata allows clerks to update other systems based on the status of the contracts.

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- Clerks can use the system to record comments and other information regarding a contract – potentially helpful when another clerk needs to fill in or take responsibility for that contract.

A Word on Security

With every contract management system comes the question of security and how permissions are handled. After initially envisioning a system with broad professional accessibility, Blue Cross of Idaho determined that documents would need to be secured at a granular level – something that CM[.app] makes possible in a rule-based fashion, without ongoing requests to IT to secure specific documents. In Blue Cross of Idaho’s system, permissions change as a document moves through the approval process. Users can modify the document depending on the permissions granted to their role in the process. However, no one is able to modify the document while it is under legal review. Once signed, contracts are locked down; contract managers and others with permission can read, but not change the document – protecting both its text and its carefully gathered metadata.

Lessons Learned

Bringing Vendor Contracts into a contract management system yielded some lessons and insights. Getting agreement among business, legal, and executive teams on the more formal contract approval processes took time – more than anticipated. And, with the new approval process came resistance to the changes which automation required. Professionals who had confidence in the formerly person-to-person workflow needed to build trust in an approval process that was not only automated, but also reflected changes to procedure. While these changes took time to acclimate to, the results have benefitted the whole organization. A complete record of approvals for new contracts proved invaluable to the legal team. The ability to efficiently find contracts at any stage, from draft to executed, and the transparency and reportability achieved for each new contract were big wins for all vested parties including the business, legal, and executive teams.

Another lesson from the implementation of the contract management system at Blue Cross of Idaho is the suggestion that adopters decide on workflow and security needs as early as possible. As locating and reporting on Vendor Contracts was an initial pain point, Blue Cross of Idaho started with an open system which allowed users to find virtually any contract. Once the working system was in place, stakeholders realized that access to contracts needed to be controlled, even among the professionals. Once this business need became evident, Blue Cross of Idaho introduced different permissions based on the type and status of the contract.

Some other lessons from Blue Cross of Idaho’s experience:

- Where workflows are concerned, give thought not only to “happy paths” – contracts that proceed to signature without a hitch – but also to “angry paths” – contracts whose approval involves iterative cycles or become complicated through internal or external negotiation.

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- Metadata can accumulate as stakeholders each suggest terms they want used to help track or manage contracts. Therefore, think ahead. Each reason for adding a piece of metadata may be valid in itself – but in time you may decide that you are collecting too many fields and need a separate process by which to “whittle” these back.
 - For business users, simpler views are often better. For example, Blue Cross of Idaho found that adding a clickable “Search” link to the system landing page fulfilled the needs of many users who visited that page only to find particular vendor contracts.

Future Considerations

With the contract management system powered by CM[.app] well established, Blue Cross of Idaho looks forward to leveraging Corridor’s solution in other areas of their business. For example:

- Integration of CM[.app] with backend systems – for example, integrating with the provider management system directly to access the most up-to-date lists of providers
- Coordinated training of business users on the potential benefits of implementing CM[.app]’s External Email Collaboration functionality – where documents in negotiation with external parties can be emailed directly from the system, version controlled automatically, and reviewed for changes with automatic redlining.
- Simplification of dashboards for business users showing review and approve tasks at a glance, made possible by Corridor’s experience in UI for contract management applications.

About Corridor Company

The leading provider of a Contract Management Application powered by the SharePoint platform, Corridor Company is committed to continuously evolving our product line to meet the challenges of contract management. With a business application platform that readily provides solutions for Proposal, Contract and Supplier Management, our end-to-end solutions enable our customers to create proposal and contracts more efficiently, to manage all processes more effectively and to ensure that revenue, profit and compliance are fully optimized. Our flexible licensing model, complimentary implementation packages, and delivery options which include on premises, in the Cloud or Office 365, ensure a solution tailored to fit the needs of your company.

For any questions or additional information on this implementation of our Contract Management App for SharePoint, please reach us directly at:

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