

## INTEGRATED SOA SOLUTION MAKES INSURANCE GROUP A STAR WITH SLA MEASUREMENT

### Challenge

Landsbond der Christelijke Mutualiteiten (LCM) needs to be able to quickly process an ever-growing volume of information they receive from the many stakeholders involved in health care provision. Managing and monitoring these transactions from start to finish was becoming increasingly complex and started to pose issues for LCM's development capacities. LCM was looking for a high-performance integrated solution for exchanging B2B information on a flexible SOA foundation.

### Solution

LCM selected Software AG's integrated webMethods and CentraSite solution so they could exchange information fast and efficiently across their entire process landscape. Now they are able to automate, inspect, validate and index messages from their many applications and efficiently exchange information with their external partners. LCM can implement new services more quickly and is able to focus more of their resources on their core business.

### Benefits

- Increased flexibility with automatic processing of all message formats
- Improved quality with automated message integrity and relevance validations
- Optimized processing chain increased overall efficiency and reliability
- Improved security with integrated access and permission checks
- Accelerated creation of new services, including generic
- Faster development with reuse of more and varied services
- Ongoing real-time insight into service health and performance
- Easier ad-hoc traceability and reporting using message histories



Landsbond der Christelijke Mutualiteiten (LCM) heads a group of 20 regional health insurance funds and is the largest social health insurance organization in Belgium with over 4.5 million members. LCM has 5,900 employees and offers clients a wide range of products and services, including compulsory and voluntary insurances, health expense reimbursement, payment of allowances and law enforcement monitoring.

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**“Being able to rely on a single central solution is of crucial importance to us when it comes to data and process governance. It guarantees **standardized management for all of our data flows.**”**

Alain Conrath | Head of IT | Landsbond der Christelijke Mutualiteiten (LCM), Belgium

### Modernize to keep the best

In order to simultaneously modernize its IT infrastructure and applications, and indeed their entire business, Landsbond der Christelijke Mutualiteiten (LCM) looked for an electronic data exchange solution that was not only reliable, efficient and secure, but would also help reduce their development costs and enable them to provide higher added-value services more quickly. Their primary goals were to increase their internal efficiency and be able to better manage changing requirements from their partners.

At LCM, modernizing their IT infrastructure over the past several years has meant moving towards open platforms and systems without cleaning the slate entirely. For example, they have been able to modernize how they use COBOL, and it still remains an integral part of their systems today. Playing a big role in LCM’s modernization efforts are their varied and daily interactions with the many stakeholders involved in health care provision, such as Banque Carrefour de la Sécurité Sociale (BCSS), CareNet, INAMI, hospitals, doctors, nurses, pharmacists and even other insurance companies. These daily data exchanges have a big impact, especially because they could be part of any LCM process, be it upstream or downstream.

### More complex data brings a challenge

A significant increase in data exchange volumes and rates, as well as the diversification of types and file formats posed several challenges for LCM, because this brought them increased workload

and complexity, greater risk of being unable to meet deadlines and more time-critical data to manage. “We have to deal with many file formats from flat files, CareNet and Kmehr to XML. And each time we had to develop new ways to deal with them, through to the back office level,” explained Alain Conrath, Head of IT at LCM. “The continuous redevelopments were all the more illogical because the data requested was almost always the same.”

Looking beyond these immediate challenges at hand, LCM also expects their volume of data to continue to grow and will need to connect more and more smaller providers via electronic data flows starting in early 2011. “Our rate of development needed to be quicker, due to the increasingly significant role of the e-health platform,” Conrath continued. “We therefore decided to take charge of the situation by establishing a B2B messaging layer, so we would no longer be dependent on the message type and data flow to be processed, whatever its format or origin.”

### Choosing robustness and reliability

LCM wanted an integration solution that was robust, reliable and efficient, one that had been proven in practice. “Other criteria in our decision included the implementation speed, degree of manufacturer independence, support for our unique IT landscape (which includes COBOL, Oracle and Microsoft), an affordable price, compliance with our specifications (in particular with our COBOL adapters) and, finally, one that could also support an open environment—which is a crucial factor for us,” said Conrath.

“We have no less than 6 million lines of COBOL code still active and want to continue to use and develop this environment alongside Java. After all, why replace the applications that are running smoothly? Sometimes developments are even easier to implement in COBOL. Software AG was clearly ahead of its competitors in this respect and since its solutions met our other criteria perfectly, it was only natural that the decision should fall in its favor.”

### The processing challenge

One of the challenges facing LCM is the growing role that synchronous, real-time data, such as from pharmacists and nurses, is playing in their data flow processing. “While asynchronous data flows, such as insurance data needed by hospitals, allows for some delay in processing, synchronous data is accompanied by Service Level Agreements (SLAs) and so response times are strictly controlled by intermediate platforms, be it in the public or private health sector,” explained Alain Conrath. “And even hospitals are now requesting real-time data on the status of patients.”

For all these reasons, LCM opted for Software AG’s webMethods and ContraSite so they could manage and supervise their message flows and also automatically do the necessary format conversions needed. “Using webMethods we can manage the entire chain, from the receipt of the message right through to requesting back office processes and sending a response,” said Conrath. “Moreover using ContraSite we can manage composite services, another major trend in our business. The

process of handling insurance requests involves a variety of platforms and related services that must fit together, be integrated and able to be recombined.”

### **Advantages from a single solution**

The webMethods and CentraSite integrated solution also brings two significant advantages that further increase the efficiency and reliability of LCM’s process chain: first, the rapid detection of any messaging-related problems, including identifying the error type and directly forwarding the message for resolution; second, a clearer segregation of roles and functions, which allows the access permissions of the stakeholders to be managed. “Being able to rely on a unique central solution is of crucial importance to us when it comes to data and process governance,” emphasized Conrath. “It guarantees standardized management for all of our data flows.”

At the same time, stored message histories enable LCM to comply with legal obligations related to traceability and auditing. “Should conflicts or disputes arise, we are able to reproduce any message at any time and can provide all the necessary evidence. With the replacement of paper documents, it is in fact electronic documents that will become legally binding,” said Conrath. This history of both messages and processes also facilitates LCM’s production of annual security reports and audits required by BCSS.

### **First services optimize and innovate**

The project integration aspects were assumed by Integrate Consulting (I8C), which also helped create LCM’s integration center. This center is in charge of implementing LCM’s organizational measures that enable their IT department to keep in sync with the latest SOA developments.

The first business services defined monitor the members’ organizational data end-to-end and the insurability status. To-date, over 30 principle services have been defined and implemented that meet LCM’s clearly defined objectives of innovation and process optimization.

The primary goal with LCM’s new solution was to facilitate the launch of new data flows. “These new data flows were the most urgent because of the deadlines we have to meet from the public sector and various stakeholders,” explained Conrath. “In the next stage, existing data flows will be forwarded after conversion (e.g., to XML,) transformation or rationalization. In fact, this was the real challenge of our project—the application portfolio management, evaluating possibilities for modernizing our COBOL applications.”

Three new data flows already operational are processing of insurance requests, billing and home care reimbursements. Additional data flows that LCM will implement soon are reimbursements for pharmacies, medicines, insurance and laboratory analyses.

### **Initial results promote independence**

The abilities of the webMethods solution to manage, organize and monitor has already had significant positive impact on LCM’s business competitiveness. Apart from reducing their development needs and simplifying back-office work, this has also allowed LCM to implement new services more quickly—faster than other insurance companies. “Introducing the Software AG solution has enabled us to improve our response times and time-to-market. We have become the star pupil among the ranks of insurance companies when it comes to measuring SLAs,” noted Conrath.

“We no longer have to develop something new each time we have a new type of data flow or message to process,” said Conrath. “We have solved the problem that made us exceed our project budgets and implementation times in the past. This has had a decisive impact on our core business, plus we can reuse services now and it supports our application portfolio rationalization.”

Conrath concluded, “Now we have an optimal process layer that provides us functional independence with regard to external processes, which substantially alleviates the pressure external parties can sometimes exert on us when it comes to aligning with their evolving business requirements.”

## KEY COMPONENTS

### **webMethods Integration Server**

connects LCM with the outside world and their various stakeholders, and also enables them to monitor and manage all services as needed.

### **webMethods Trading Networks**

automates LCM's information exchange with partners and allows them to efficiently receive and process all the various data, independent of the format.

### **CentraSite and webMethods Mediator**

are used to manage their design and runtime governance, determine permissions for service usage and SLA conditions, and is the central repository for all LCM's business services. This is essential for the proper reporting to government and external agencies which control response time and other SLA compliance requirements.

**webMethods Insight** is the SOA monitoring tool that brings all LCM event, data flow and transaction information together, and monitors services to ensure they are functioning properly. With Insight, LCM can further refine their analysis and get error diagnostics that will pinpoint the source of performance or congestion problems.

## ABOUT SOFTWARE AG

Software AG is the global leader in Business Process Excellence. Our 40 years of innovation include the invention of the first high-performance transactional database, Adabas; the first business process analysis platform, ARIS; and the first B2B server and SOA-based integration platform, webMethods.

We offer our customers end-to-end Business Process Management (BPM) solutions delivering low Total-Cost-of-Ownership and high ease of use. Our industry-leading brands, ARIS, webMethods, Adabas, Natural, CentraSite and IDS Scheer Consulting, represent a unique portfolio encompassing: process strategy, design, integration and control; SOA-based integration and data management; process-driven SAP implementation; and strategic process consulting and services.

## ABOUT IDS SCHEER

IDS Scheer is part of the Software AG Group and a leading provider of BPM software, solutions and services for corporations and public organizations worldwide. With the ARIS Platform for Process Excellence, the company offers an integrated, comprehensive solution portfolio for the strategy, design, implementation and controlling of business processes; allowing companies to continuously improve their overall business performance. Utilizing the ARIS Value Engineering (AVE) approach, IDS Scheer consultants bridge the gap between corporate strategy, business processes, IT solutions and process controlling.

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