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Single-Source Strategies

**Special Report: ROI
ASPs: Jury Still Out**



Payer transitions to single-source ASP

Western Health Advantage, a Sacramento, Calif.-based managed care organization, always has used a single-source approach to information technology. It wasn't until it began using the application service provider computing model, however, that it truly understood the benefits the strategy had to offer.

The five-year-old organization only could afford six I.T. employees to support its first information system.

When the application was discontinued by the vendor, CFO Rita Ruecker anticipated she'd need more than six people to shift the organization to new, more sophisticated managed care applications.

So this time around, Western Health Advantage decided to get more mileage out of a single-source strategy. It chose a new vendor that offers several managed care applications via the ASP computing model. An ASP enables an organization to "lease" applications and maintenance services on a monthly basis from a vendor, linking to the vendor's data center via the Internet or private lines.

Western Health Advantage is switching to the Facets system from Newport Beach, Calif.-based TriZetto Group Inc. The system is designed to enable the organization to use claims adjudication, member billing,

accounting and other applications, and in a way designed to help the organization comply with the Health Insurance Portability and Accountability Act.

With the ASP single-source vendor doing most of the transition and maintenance work, Ruecker anticipates she won't need to hire any new I.T. employees.

"There's no way I could have afforded as many employees as I would have needed to implement several new applications," she says. "Also, because we are small, I can't be dealing with a lot of different vendors all the time. It was important to us to have a single vendor to work with, especially one that would integrate the applications."

By October, Western Health Advantage hopes to have all the TriZetto applications up and running. Its data will be housed at the vendor's Denver data center; its staff accesses applications from the company's Sacramento location.

Western Health Advantage also plans to take advantage of other offerings from the solitary vendor, including user conferences, Ruecker says.

And by using a single-source ASP system, the small organization no longer has to worry about upgrades or maintenance, she adds.

"I'm happy with our single-source arrangement," Ruecker says. "For us it's the best way to go." 