Blue Cross of Northeastern Pennsylvania: "Making Better Health Easier"

$1.90 a month. That's all it cost a family to obtain medical insurance in 1939, when Blue Cross of Northeastern Pennsylvania (BCNEPA) was formed.

Today BCNEPA serves 550,000 individuals and companies across a 13-county region. Its cutting-edge programs include a health maintenance organization (HMO) plan, a preferred provider organization (PPO), and the Traditional Blue Cross/Blue Shield plan option for coverage by any physician virtually anywhere. BCNEPA is a member of the Blue Cross and Blue Shield Association, whose 42 companies provide health insurance to one in four Americans.

Real-Time Data for Real-World Benefits

BCNEPA's legacy mainframe application suffered from old age. Ed Donnelly, manager of cost accounting and financial systems, led a team to find a replacement PC-based client/server system. "We saw Sage MAS 500 ERP at a trade show," he says, "and were excited with its real-time information management capabilities. Also, it was consistent with our SQL database requirements."

Complete Historical Data With Sage MAS 500

BCNEPA currently manages its core financials, as well as those of nine separate subsidiaries, on Sage MAS 500. "We get great value from the General Ledger module," says Donnelly. "It allows us to post all financial transactions in great detail, and then store the data without archiving. We now have five years of information on our current server, so we don't have to open a box or unzip a file. And the system isn't maxed out yet."

This comprehensive data bank allows BCNEPA to check the details of any activity contributing to an account balance and compare it to recent history. The system can handle up to 250 character descriptions, permitting easily understood comments. "Let's say I notice that a department's expenses are high compared to previous months," Donnelly says. "I can research the accounts activity and find an explanation. This is a great analytical tool for confirming that transactions are posted properly, for reviewing historical trends and for explaining variances. It also allows us to provide more efficient support to our external auditors, saving us both time and audit fees."

Customer:

Blue Cross of Northeastern Pennsylvania

Industry:

Nonprofit health insurance

Location:

Wilkes-Barre, Pennsylvania

Number of Locations

Seven

Number of Employees

500,000

System:

Sage MAS 500

- Customizer
- General Ledger
- Accounts Payable
- Accounts Receivable
- Advanced Allocations
- eExecutive
- Cash Management
- FAS Asset Accounting

CHALLENGE

Replace legacy mainframe architecture with client/server system to manage core financials in parent company and nine subsidiaries.

SOLUTION

Sage MAS 500 Accounting modules.

RESULTS

Real-time access to data throughout enterprise, including five years of information without archiving, shaving days off regular accounting tasks.

John Moore, controller, appreciates the top-level control Sage MAS 500 provides. "By utilizing either of the two integrated report writers, we are able to slice and dice our financial data in various ways, and are able to devise reports however we please," he says. "I can drill down through account activity, checking debits and credits by month, and then click over to the Accouts Payable module to verify an invoice. Despite being challenged by a reduction in staff, we've been able to complete closings without missing a beat through improved efficiencies."

Wise Use of Non-Profit Resources

The new system has also helped BCNEPA be a good steward of its resources. "Sage MAS 500 gives us the management tools we need to run our company in a more strategic manner," says Moore. "This translates into better financial control—essential, since we're a non-profit without access to outside capital."

BCNEPA runs industry-specific systems to handle its work activities (i.e. membership and billing, claims, cost and budgeting, investments, payroll and human resources, etc.). Sage MAS 500 is interfaced with the financial transactions of these diverse applications, tying them together with one smooth, general ledger system. They also use the FAS Asset Accounting module to manage the company's fixed-asset accounting.

"I am absolutely pleased with Sage MAS 500 and the way it fulfills our needs," says Donnelly. "Not only do we now have the real-time data we originally wanted, but Sage MAS 500 has also expedited numerous internal processes, which saves us several days a month on our month-end closing process."

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ABOUT SAGE SOFTWARE

Sage Software supports the needs, challenges, and dreams of more than 2.7 million small and midsized business customers in North America through easy-to-use, scalable, and customizable software and services. Our products help manage a complete range of business functions including: accounting, operations, customer relationship management, human resources, time tracking, merchant services and the specialized needs of the construction, distribution, healthcare, manufacturing, nonprofit, and real estate industries.

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