Wellmark Blue Cross and Blue Shield is a mutual insurance company that provides health coverage to more than two million members in Iowa and South Dakota. Wellmark chose DocuSign to cut excessive operating costs and streamline contract execution.

The adoption of DocuSign is a key factor in eliminating unnecessary administrative expenses in compliance with the Affordable Care Act. Furthermore, use of DocuSign boosts the Lean and Green initiative within Wellmark to implement efficient business practices and reduce waste.

**CHALLENGE**

Wellmark BCBS has seen great success maintaining low per-member-per-month administrative costs. However, contract execution involved excessive expenses, and Wellmark needed a solution to cut those unnecessary costs.

Wellmark tracked contracts via spreadsheets in a paper-intensive, cumbersome, manual process. Every corporate contract required two copies to be printed and brought to the Vice President and Chief Procurement Officer for signature. After signing, he made a third copy to keep in house. Two copies were shipped to the second party using UPS for tracking purposes. Wellmark also maintained a spreadsheet to record the recipient and date the contract was sent. The second party would return one copy and retain one copy for their records.

Because the second party was responsible for return costs, only the signature page out of a 12-page document was likely faxed back. This left Wellmark to confirm it was from the most recent version, not the signature page from an outdated contract. Upon return, Wellmark manually tracked changes to contracts with a redundant copy.

The cost to send out contracts via this manual process averaged $5.80 per contract, according to Julie Dunham, Procurement Services at Wellmark. She calculated that cost as follows:

- Each contract averaged 36 total pages (3 copies of 12-page contracts, on average)
- Printing costs averaged $0.05 per page, $1.80 per contract (toner and paper)
- UPS shipping and tracking costs averaged $4.00 per contract

Wellmark needed a solution to reduce this paper waste, eliminate hefty shipping costs and track contracts throughout the process.

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**About Ombud**

Ombud, Inc. is an independent enterprise technology platform and research firm. Ombud’s team of researchers analyzes enterprise technology solutions and their affects on business processes. Ombud provides an interactive research platform to help technology buyers compare products, consult industry experts and research technology solutions for procurement. Ombud acts as a trusted third-party that not only coaches organizations on procurement decisions, but engages organizations and vendors to ensure the success of their implementations.

**About DocuSign**

DocuSign® is the global standard for electronic signature®. DocuSign accelerates transactions to increase speed to results, reduce costs and delight customers with the easiest, fastest, most secure global network for sending, signing, tracking and storing documents in the cloud.
A solution
Kenny Chasten, Vice President and Chief Procurement Officer of Wellmark, identified DocuSign as the best method to ensure contracts valued from hundreds of thousands to millions of dollars were executed easily for both parties, turned around in a timely manner and tracked automatically.

Results
Wellmark implemented DocuSign in January 2012 to streamline the business processes involved with corporate contracts such as building maintenance and staff augmentation vendors.

Due to its success and ease of use, in June 2012, Wellmark evolved DocuSign for use in contracts with agents who sell their health insurance plans, cutting contract cycle time in half.

"DocuSign has transformed the way we conduct business, created numerous process efficiencies and recognized significant administrative cost savings."
- Kenny Chasten, Vice President, Chief Procurement Officer, Wellmark

One of the great benefits of DocuSign is the time savings provided to Wellmark employees who no longer need to manually track contract location via spreadsheets. DocuSign provides a visual workflow that automates the process and provides instant visualization of who is next to sign.

By using DocuSign for those contracts, Wellmark also knew the recipient had the appropriate, most current version of the contract.

As a result, Wellmark sent 6,136 envelopes for signature via DocuSign in 2012 - Wellmark's inaugural year with DocuSign. Based on the previously mentioned calculations, this means Wellmark saved $35,588.80 in printing and shipping costs alone.

That cost, time and paper savings encouraged Wellmark to expand DocuSign for use in signing contracts with trusted hospitals and flexible benefit accounts. BCBS has identified certain hospitals as Blue Distinction Centers. These are recognized as having proven expertise in delivering specialty care such as spinal surgery. By using the Blue Distinction Center online portal and DocuSign, Wellmark eliminates the need to print and scan agreements.

"DocuSign has made Wellmark a more efficient organization, and I would choose it again," said Ms. Dunham. "Not only has it made my workload easier, every time I train another department on how to use DocuSign, their workload is reduced."

As of February 2013, Wellmark streamlines contract execution with DocuSign across four departments. They plan to expand the DocuSign solution to other departments, including Provider Contracting and Human Resources, later this year. "Every time we can expand DocuSign to another area of the company, that’s a bonus to us," said Ms. Dunham.

Summary
• Cut contract cycle time in half
• Eliminated spreadsheets from the contract tracking process
• Saved more than 200,000 sheets of paper and over $35,000 with adoption in two departments in the first year
• Reduced non-health-related expenses, achieving sustainable compliance with federal medical loss ratio regulations

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