Starting Over From Scratch
A Fresh Perspective and Full Technology Upgrade Unlocks Superior Performance
For Washington’s Department Of Social and Health Services

It is often said there are no problems in business, only opportunities. If that’s true, then the ‘opportunity’ presented recently to the managers of Integrated Mail and Messaging for the Dept. of Social and Health Services in the State of Washington was nothing less than world class. Indeed, the mix of challenges they faced — aging equipment, evolving applications, growing volumes and heightened demands for integrity — amounted to a world of opportunity.

The Dept. of Social and Health Services (DSHS) provides assistance to approximately 800,000 individuals and families in Washington who are in need. The department operates as an umbrella agency and administers a variety of state and federal benefits programs such as Temporary Assistance for Needy Families, medical assistance, food stamps and general assistance programs, child protective and child support services, and aging, mental health, disability and vocational rehabilitation services.

DSHS has reduced its volume of paper-based messaging via the use of electronic debit cards for hard-copy food stamps and assistance checks. But the agency still processes a steadily growing mail volume — nearly 1.5 million mailpieces per month — that contain eligibility information, official notices, medical assistance identification cards, or warrants (checks) for cash benefits.

Often, these documents must be processed and mailed within specific, federally mandated time frames. Failure to meet the performance deadlines can result in significant financial penalties for the DSHS.

INVESTING TO KEEP PACE

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–Don Barnes, Mail Operations Administrator
Department of Social and Health Services

The point of near crisis for DSHS came when the format of a key application was revised. Previously, mailings generated by the Automated Client Eligibility System consisted of mainframe-generated letters that averaged five pages in length, although some were 30-40 pages, and others, intended for nursing homes that served dozens of aid recipients, consisted of as many as 150 pages.

However, an effort to improve the appearance of the letters by making them more professional looking and easier to read also resulted in an increase in the number of pages per mailpiece of up to 40 percent.

Plus, the mailpieces were processed randomly, so letters with varying page counts were processed one after the other, which inhibited productivity.
The State of Washington also supports nine languages in addition to English. So some mailings to aid recipients required duplicate pages, one in English and the other in a language such as Spanish, Chinese, Cambodian or Vietnamese. The result for those applications was a doubling of pages requiring processing, as well as extra stoppages for loading and reloading the duplicate printed materials.

**GROWING DEMAND, DECLINING PERFORMANCE**

At the same time, the unit’s aging inserting equipment was struggling to keep up with the added processing demand. DSHS operated three inserters, one with more than 60 million cycles, and the other two with more than 40 million cycles each. Stoppages due to jams and component failures, plus the need for constant set-ups and materials replenishing, had degraded production to less than 900 finished mailpieces per hour. The unit was constantly on edge as its margin for meeting its various SLAs seemed to grow smaller each day.

“"Our first instinct was to keep costs low and replace just the metering equipment, since we had traced a third of our total downtime to the meters,” says Don Barnes, the Mail Operations Administrator and a key contributor to the improvement effort. “Those old meters just couldn’t keep up with our increased production requirements.”

“But we also wanted the ability to sequence and sort the mail by weight for better processing efficiency, and we saw the growing need for better integrity due to the Health Information Portability and Accountability Act (HIPAA),” adds Jerry Clements, Manager of the Insert Section and another improvement team member.

Just putting new meters on old equipment “would only postpone the inevitable day of reckoning,” continues Barnes. “We needed a total upgrade, involving both software and hardware, if we were to catch up with our department’s heightened expectations for mail volumes, application complexity and mailpiece quality.”

**A COMPREHENSIVE MAILSTREAM SOLUTION**

The successful upgrade solution, which was designed by a team of Pitney Bowes mailstream specialists, consists of a multi-software, multi-inserting system set-up that is being phased in over a multi-year schedule.

Specifically, the solution encompasses: three 8 Series™ Intelligent Inserting Systems with the state-of-the-art Direct Connect file-based processing reporting and control system; StreamWeaver® print stream engineering software; as well as the necessary software for address cleansing, presorting and move updates to achieve the maximum postal discounts and reduce the costs of returned mail.

A few phases of the entire solution still remain to be implemented, but DSHS has already accrued significant benefits — such as lower costs, faster processing, higher productivity, better quality and better customer relations. And it has the capacity to absorb additional volumes and mailing applications, even those with more complexity.

Indeed, mastering application complexity was a key component of the solution. “We suspected we ran a complex shop, but the engineers from Pitney Bowes, who studied our needs and custom-tailored our solution, confirmed it for us,” says Hosford. “They said our range of page lengths, from 1-17 pages, plus the number and variety of inserts, coupled with our range of envelope sizes, all amounted to the most varied and complex set of specifications ever required by just one shop.”

As in any upgrade effort, making precise before-and-after or ‘apples-to-apples’ comparisons can be elusive. That’s because newer solutions often have broader capabilities than the existing resources, or the solution may be phased in over time, making it difficult to establish a precise before-and-after time frame.

**FAST AND EASY PROGRAMMING**

As an example, one key element of the total solution was StreamWeaver, the versatile software for print stream engineering. “Once our technical IT staff reviewed StreamWeaver’s capabilities, and they realized we could achieve our goals without the cost and delay involved in reprogramming our legacy applications at the mainframe, they became instant converts,” says Hosford.

“They even suggested that the StreamWeaver software might remedy our problems. But we knew we needed more than just meters, or just print stream engineering software, and we were not going to be short changed in our effort to implement a coordinated and total solution.” Still, Hosford indicates that the easy-to-use StreamWeaver software alone greatly enhanced the programming portion of the unit’s comprehensive improvement effort.

Indeed, StreamWeaver enables the DSHS to add finishing control barcodes, sort and group the mailpieces by weight for
better processing efficiency, and print pages on both sides, which reduced the number of pages printed and yielded better speeds and higher productivity.

The result was a vastly improved and lower cost processing operation. For example, since the letters application requiring duplicate languages could now be printed on the front and back of a single page, rather than on two separate pages, the total number of pages requiring printing and processing declined, and the number of overweight mailpieces dropped dramatically.

“Previously, we were struggling to process even 900 mailpieces per hour per inserter on the old equipment,” explains Barnes. “But with the new, highly-reliable 8 Series inserting systems, and the lower-page-count mailpieces and better sequencing or weight-sorting provided by StreamWeaver, we are now averaging more than 2,250 finished mailpieces per hour per inserter. That’s an overall increase in productivity of roughly two-and-a-half times.”

LESS COMPLEX

Even better, the solution has shifted the weight characteristics of the letter application by increasing the percentage of simple, 1-oz. mailpieces. These are now routinely processed at more than 3,000 mailpieces per hour and at a substantially lower cost for postage.

The number of 2- and 3-oz. letter pieces has also declined, which means lower postage costs, and faster processing for those mailpieces. The number of overweight mailpieces has dropped as well, so there’s less time and cost involved in processing these cumbersome mailpieces by hand.

Also, since the applications can be divided to run on the three inserting systems simultaneously, each application can be completed faster, which means that it is easier to assure compliance with the unit’s SLA. The bottom line? Hosford estimates that the unit is processing every mail weight significantly faster. Plus, the unit is saving an estimated $250,000 per year in lower postage and paper costs on just the one application.

Of course, the faster speeds are desirable. But DSHS also wanted perfect integrity. So the unit implemented the first file-based processing capability in the state government as a way to assure quality. Again, StreamWeaver was an integral part of unlocking Direct Connect file-based processing reporting and control capability. Now, a 2-of-5 barcode and Mail Run Data File (MRDF) are used to ensure individual mailpiece integrity.

Previously, the unit was plagued by complaints from aid recipients who claimed that their mail hadn’t arrived, or was incomplete or inaccurate. DSHS had no way to verify the claims.

Since implementing the Direct Connect file-based reporting capability, the unit has received less than 50 calls over the past year from aid recipients who claimed, for example, that an eligibility review form was missing.

“Now, all I do is look up my MRDF, and call my colleague to get his post-processing report,” says Hosford, “and we compare our reports.” In every instance, the comparison showed that the mailpiece contained the correct number of pages, weighed the correct amount, and was delivered to the post office on the expected date. “Our records showed that the mailpiece was accurate.” In most cases, DSHS determined that the recipient had simply misplaced the insert after opening the mail.

ERRORLESS AND APOLOGY-FREE

“We haven’t encountered a single error with our filed-based processing system,” says Hosford. “Now, instead of apologizing for our alleged errors, we can use concrete evidence to show that we did not make an error.”

As an added plus, the assured integrity features of the Direct Connect system bolsters the DSHS claim of full compliance with the pertinent provisions of HIPAA. “We are making no mistakes in processing, and we have the hard data to prove it,” says Barnes proudly. “Even our damaged mailpieces, which average less than one percent of all the mail we process, have an irrefutable record of manual intervention and automatic and accurate regeneration.”

Faster processing, lower costs, total integrity and a damage rate of less than one percent. What’s left for DSHS to accomplish? Plenty. To start with, Hosford and his team want to extend those remarkable benefits across every application they process, and that will still take some time.

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"Our range of application complexity is extremely broad, so we are proceeding in a planned and methodical fashion to assure a smooth migration," says Hosford. Next up is the scheduled changeover in the monthly processing of 525,000 medical assistance identification cards.

Looking out a little further, the team will soon migrate all applications to a comprehensive presorting solution, so the unit will be able to avoid the cost and delay of utilizing the services of a presort bureau. "We’ll get the full postage discount earned by our volumes and save a full day in processing, which will make meeting our SLAs easier still," says Barnes. The unit also expects to install a move update solution that will soon generate additional postage savings.

PREPARING FOR THE FUTURE

"One of our goals was to get to the point where we could operate as a normal shop, and meet our daily requirements without any heroic efforts," says Hosford. "We are no longer struggling under the daily threat of missing our SLAs." In fact, the unit recently achieved the impressive record of processing more than 100,000 letter mailpieces in a single day.

"As we migrate more applications, and fine tune our operating procedures, we are becoming more efficient and are actually gaining time against our SLAs," says Clements. "That is a great feeling. It means we can easily absorb more work without any undue worry about a missed deadline." Adding to their peace of mind, DSHS benefits from a more accurate and accountable process – essential in this age of heightened privacy concerns.

"We could have attempted a partial solution, but a short-term fix would have been foolish," says Hosford. "We are planning and equipping for the future."