Whitepaper

Analytics-Driven Healthcare: Making More Informed Benefit Plan Decisions

innovaccer

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Executive Summary

Ever-increasing employee health costs highlight the inefficiencies that currently plague each link in the U.S. healthcare industry's value chain. If utilized properly, advanced analytics can play a crucial role in minimizing these inefficiencies and providing employers with insights to manage their business more efficiently and profitably.

We do realize that data is everywhere, but without context and analysis, data means nothing. Many organizations have thousands of pieces of data about their employees, and lots of resources and time are spent collecting the data, but without any analysis, it is just a jumble of disconnected parts. Analysis provides the information needed to learn why claims might be inexorably high or why employees don't proactively use their preventive health benefits. With analytics, you can turn data into actionable information and develop solutions to align with your business' goals.

For example, analysis of electronic health record (EHR) data can result in improved clinical outcomes and reduced readmissions, both of which can reduce costs and inspire patient loyalty. Analytics, moreover, can help predict an employee's future healthcare needs, which can be valuable for both the payer and employer. Employers must, therefore, begin to leverage tools and solutions that gather incongruous data in one place. This includes both structured and unstructured data. For example, EHR provides structured data of an employee's history of health conditions and prescriptions, while semi-structured and unstructured data is available in social networking sites, doctors' notes, physicians' commentaries, etc.

The integration of all this data is crucial and calls for a solution that allows employers to fully exploit this abundance of data and create a culture that places a premium on fact-based planning and decision making. This whitepaper explores what is involved in robust data analytics and the steps you can take to make data and your benefits plan work for both your company and your employees.

What is Data Analytics and Why it is Important

Though we will be discussing how data analytics can help you as an employer provide improved care experiences to your employees, data analytics has been used and continues to be leveraged to identify instances of financial fraud, defective genes and predict hurricanes. The underlying idea is to make sense of data, identify what works so it can be strengthened and highlight what doesn't so it can be fixed. There is a lot to identify, review and improve in today's continuously changing employee health benefits landscape.

Data analytics is especially important when we all are witnessing the continuous rise of health insurance costs and the complexity of offerings. Analyzing data is a huge undertaking, and there is an almost endless volume of health-related data across organizations. So it's easy to understand why assessing raw data is an exercise in futility without robust analysis. With so much raw data, it is important to maximize its value by identifying and viewing the data needed to prove or reject

High Health Insurance Costs
Employees have long considered health insurance as one of the most important benefits employers provide. Valued benefits can help organizations attract and retain the best employees. But employers usually don't have unlimited resources to keep providing top-tier benefits and manage increasing regulatory complexity at the same time. What should employers do in their constant quest to remain competitive for the most qualified employees? How do they remain competitive while benefits costs rise?

Data Analytics is the Answer

Data analytics is not about one single, disparate element. It can disclose complex, unified correlations that show how a change in one component of a benefit can considerably alter another. It is largely about helping employers and employees get the most out of their investment in health benefits.

Before planning for the future, you must analyze the present, and data analytics will guide you along the path. It may start by identifying health plan behaviors. Maybe you need to investigate reasons for misuse of services or perhaps identify the barriers that block optimal usage.

Now we look at how data analytics tools analyze some major components of a health benefits plan:

High-Cost Claimants

Healthcare organizations generally lack insights and data around which patients may be at risk. With a PRM solution, care teams can promptly pinpoint where a patient is in their care plan and if they require reactivation or different engagement methods to help them stay on course. For patients with chronic disease who need to adjust their behavioral health, this is really important. Coaches can see where they may need guidance for making the lifestyle changes they need to manage their condition.
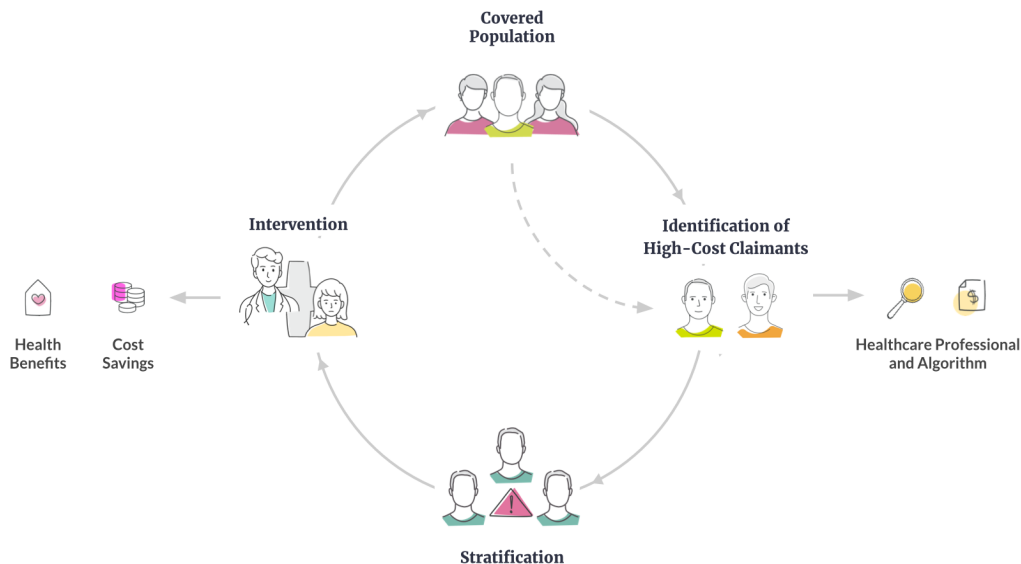
Solution : Identify all self-insured claims and examine them in the context of the deductible with a cost-benefit analysis. Suppose the number of participants in a self-insured plan surpasses a $200,000 deductible (before stop-loss insurance takes over) rises by only five employees; that's an extra $1 million for your company. Stop-loss insurance safeguards self-insured plans against high claims. In this setting, it may pay benefits once an individual surpasses $200,000 in claims. Think the deductible is exorbitant? Cancer treatment and dialysis are two areas that can break a plan's deductibles. Even plans without continuous high cost claims should probe their stop-loss trigger.

Claims Expenses versus Budget

Identifies claims that correspond with your plan's budget to pay claims. This is much like a loss ratio in fully insured plans. When a plan registers a rate of 100% or lower, claims are as anticipated or better. A ratio of over 100 percent means claims expenses surpassed what was budgeted. manage their condition.

Solution : Work to achieve an 80 percent to 90 percent loss ratio. When this percentage exceeds 100 percent, dig deeper into claims histories to find out why. The reasons could be systemic. Maybe a portion of your employees have untreated chronic diseases, or perhaps an investigation will show that one expensive surprise claim, say a serious auto accident injury, impacted your results. In any scenario, this piece of data analytics will give you actionable information that can drive change to reduce subsequent claims expenses.

Demographics

Data analytics tools help identify your benefit recipients. The average plan used to have 2.5 people per employee utilizing health insurance benefits, today that average is lower. Reason? Perhaps people have fewer children. Another? Some plans with more-than-average benefits have many spouses who work elsewhere enrolled in them. Why this development?

Solution : Rich health insurance benefits are called magnet plans, and if you offer a magnet plan, non-employee spouses may choose to receive coverage through your plan because it has better benefits. To encourage non-employees spouses to buy coverage through their own companies, employers levy surcharges for spouses who can obtain coverage through their employer. With the exception of babies born prematurely, non-employee spouses account for the highest risk of incurring claims.

A Glance at Prescription Drugs

Data analytics can determine hundreds of areas for improvement in a company benefits plan. Here is a look at four potential solutions in one expensive area: prescription drugs. You will notice that one solution will lead naturally to the next piece of connected data. Integrating these solutions can result in better outcomes.

Trends	Solutions
Percent of specialty drugs to overall drug spend	With specialty drugs projected to increase rapidly, it will be essential to have a specialty drug management partner external to a carrier solution.
Metabolic and pre-metabolic employee population increases	Look to improve lifestyle choices to decrease the effects of, or reverse metabolic conditions. Identify pre-metabolic individuals and provide prescription programs to move these people in the right direction.
Percent of prescription drug spend vs. total plan spend	A healthy ratio of prescription drug costs to total plan costs for self-insured plans is 20 percent or less. If higher, consider changing or hiring your prescription benefit manager.
Employees don't always use preventive drugs due to out-of-pocket expenses	Consider plan design changes to reduce out-of-pocket costs, which will encourage employees to maintain their prescription drugs regimen and lower future costs.

Building a Benefits Strategy Using Technology

When leveraging an analytics environment, see it as forming four complementary layers—each including a variety of technologies depending on your organizational requirements, preferences and type of analytics you need.

The Infrastructure Layer : This is the foundation that will empower you to acquire, store and protect your data, and to run commercial analytics. A typical infrastructure layer will support a number of different frameworks, databases, and applications.

The Data Layer : This is the layer that will be subject to the most change. Digital transformation is still new for many organizations, so there are many opportunities to innovate around data analysis. The analytics layers should support many different types of algorithms. In particular, predictive analytics, regression, classification, and clustering algorithms are three of the most common techniques used.

The Applications Layer : This layer supports the visualization of predictive model results. Healthcare technology solutions provide tailored analytics capabilities that support your specific use cases and workflows. It is recommended to engage a cross-functional team when deciding the best way to visualize and deliver results.

These layers enable you to leverage your existing data management systems as well as newly implemented technologies. Additionally, technologies like AI and security solutions can be applied across the whole stack to accelerate insights and strengthen data protection. Solution providers with expertise in delivering analytics solutions for employers can help you define the right mix of technologies.

The Journey Ahead

'Analytics' is not a once-and-done initiative rather than a single project—an ongoing, evolving way of working that should adapt to your organization as needs and priorities evolve. Start with a simple project that will deliver clear value to the business in a short amount of time, and use this initial success to build support from employees and long-term commitment from senior leadership.

Once you have your foundations in place, you can add more analytics capabilities as your resources evolve and your data sources become richer. The key to all this is data. The data that sits in your organization today. Make sure your data and benefits strategy are aligned to meet tomorrow's challenges by considering these questions:

- What is your strategy for collecting and managing your data today and in the future?

- What information are you not capturing that you should be?

- What are your data sources today and how are they connected?

- What was the last question you were unable to answer? What would have enabled you to

Employers need actionable, meaningful data and solutions that help employees improve their health and lower health plan costs. For many plan sponsors, excessive data is as detrimental as not having enough data. When you can see a 360-degree view of the impact your various benefits have on your employees and your organization, you can understand your challenges more closely and thoroughly. When you understand how an effective benefits strategy can promote plan participants to adopt healthier habits, you recognize the power of data when used sensibly.

The key is working with a partner who provides solutions that guide you to meet your employee benefits plan challenges.

The following solutions are built on Innovaccer's FHIR-enabled Data Activation Platform:

inapi

Innovaccer's advanced healthcare data integration engine, providing one-click interfacing mechanisms to a wide breadth of healthcare data systems and a seamless bidirectional flow of data.

incare

Smart, AI-assisted care management solution, with patient-centered medical home (PCMH) level care delivery, hardcoded into the workflow. InCare streamlines the care management process enabling systems to scale care management programs at lower costs, and with higher quality.

ingraph

InGraph is the most intuitive healthcare analytics offering for population management health strategies in the industry with over 800+ measures to track network performance and outcomes, customizable measures and dashboards accessible across the network, and automated reporting on quality measures.

innote

A smart, lightweight physician's digital assistant that surfaces critical system and population health insights derived from multiple data sources, at the point of care. Using InNote, insights such as care gaps, dropped codes, process measures and referrals information can be shared with the clinician - without their having to leave the EHR experience.

inconnect

An automated analytics-driven patient engagement solution to scale patient outreach workflow and bring patients closer to the care team.

About Innovaccer

Innovaccer, Inc. is a leading San Francisco-based healthcare technology company committed to making a powerful and enduring difference in the way care is delivered. The company leverages artificial intelligence and analytics to automate routine workflows and reduce manual overhead to facilitate more person-centered care. Its KLAS-recognized products have been deployed all over the U.S. across more than 1,000 locations, enabling more than 37,000 providers to transform care delivery and work collaboratively with payers. Innovaccer's FHIR-enabled Data Activation Platform has been successfully implemented with healthcare institutions, private health plans, and government organizations. By using the connected care framework, Innovaccer has unified records for more than 24 million members and generated more than $600M in savings.

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