

DATA ANALYTICS OFFERS A PEEK BEHIND THE CURTAIN IN EMPLOYEE BENEFITS PLANS

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The healthcare industry has evolved a lot in the last several decades. It wasn't that long ago that doctors made local house calls to sick patients. Today, physicians can teleconference with patients on the other side of the world. This rapid advance in technology has generated tremendous amounts of data on virtually every aspect of the healthcare industry, from patients and physicians to hospitals and insurance carriers.

There's considerable opportunity lurking in all that data for employee benefit plan sponsors and organizations eager to maximize the impact and efficiency of their benefit offerings. But with so much data and so many sources of information, the challenge for plan administrators has become distilling all that data into actionable insights.

Those insights can be used to drive cost savings and employee satisfaction. They typically play out on two fronts:

1. improving how members utilize benefits
2. improving how carriers and providers administer care.

With the right data, administrators can adjust plan offerings, supplemental initiatives and participant communication to better match benefits programs to participant needs. At the same time, good data can drive better decisions about carrier and provider relationships.

An experienced broker or other partner can be a valuable ally in helping organizations and plan administrators advance data analytics tools and turning insights into results. These partnerships should focus on a few core areas.

1. BETTER ACCESS TO DATA

Despite the overflow of healthcare data, some organizations find accessing that information surprisingly difficult. Self-funded plans take on all the risk and therefore can access any and all of their own data. The challenge for these plans is more in wrangling the data into a meaningful structure. For large organizations, a data warehouse can be a powerful business analytics tool that effectively stores and structures data in meaningful ways. Fully insured plans, on the other hand, need to request data from an insurance company that's assuming the risk. Insurance companies can be reluctant to share data for smaller organizations - plans with fewer 300 lives are not considered fully credible.

Brokers can often leverage existing relationships with carriers to access datasets for smaller plans. Insurance companies may be more willing to share data knowing the organization has a partner that can glean accurate insights from the reports.

2. BETTER OPPORTUNITIES FOR ACTIONABLE INSIGHT

For all employers, regardless of funding arrangement, the right partner is a key resource in determining what kind of data to request. Most employers tend to focus on data centered on claims. Rightfully so - there are powerful insights to be gleaned from reports detailing monthly claims and out-of-network costs. Within claims, there are more advanced reports brokers will recommend, like one that shows emerging high-cost claims. These reports identify individuals who have recently increased utilization of healthcare services and may benefit from carrier case management.

There are countless other datasets that offer a revealing peek behind the curtain of any employee benefits plan. One example of a next-level report is a preventative screening test. This report identifies all the participants in a population who should be receiving preventative screenings - mammogram, colonoscopy, etc. It then cross-references that list with the actual number of screenings provided during a certain period. These kinds of reports offer an opportunity to be proactive and use tools like population health, wellness programs and participant communication to reduce future claims and costs.

3. BETTER BENCHMARKING

Understanding where your organization's benefits offering fits in within your competition is becoming an increasingly critical recruitment and retention tool. Data analytics with the right partners can offer a deeper look at how specific benefits stack up within a particular industry. It can also account for changes in pricing and services depending on the geographic area so sponsors and administrators can be sure they're comparing apples to apples.

Benchmarking data can provide a marketable differentiator in hiring top talent based on the plan offering or contribution costs or can be used to internal analytics to verify the efficiency of claims adjudication and other processes.

A DATA-DRIVEN FUTURE

The future promises to bring more disruption to the healthcare space. New technologies from implanted health devices to robotic surgeries are changing how patients receive care. Evolving regulations around how pharmaceuticals are developed and patented are changing how new treatment innovations are advanced. New mergers in the healthcare space including Berkshire Hathaway, Apple and J.P. Morgan Chase's partnership are changing how the industries provides services and pays for them.

All of these disruptions have the potential to change the industry in significant ways. One thing won't change - healthcare's growing reliance on data. Smart plan sponsors and administrators are turning to the data and using strategic partnerships to ensure plans are running efficiently and participants are empowered to make the most of their benefits.

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