PROACTIVE ANALYTICS:
ACTIONABLE INSIGHTS THAT DELIVER RESULTS

HDMS^{SM} **Health Data & Management Solutions**

For stakeholders across the health care system, much of the knowledge and insight needed to make better value-based care decisions remains locked away within vast amounts of raw data. Here's how one third-party administrator (TPA) used proactive analytics to unlock this knowledge, reduce costs and improve outcomes for clients.

There is no shortage of data in health care. Industry stakeholders—employers, plan sponsors, payers, TPAs, health systems and provider organizations—are sitting on vast amounts of raw data, and more is generated and collected every day from a growing number of sources.

Industry estimates indicate only about 20 percent of this data is structured, meaning it is quantitative and objective, including vital signs and health markers like blood sugar and cholesterol levels. Up to 80 percent of health care data is unstructured, or qualitative and subjective, such as patient assessments of pain and level of discomfort gathered during patient encounters.[1]

Structured data can reside in digital silos and in differing formats that may present barriers to sharing and analysis. The sheer volume and nature of unstructured data presents even more of a challenge; qualitative data is frequently stored in system text fields, making it difficult to retrieve, interpret and analyze.

The result: despite the large amount of data available, health care organizations don't always have the *right* data they need to make effective decisions—especially because system transformation toward value-based care and population health requires different datasets for optimal decision-making.

» PROACTIVE ANALYTICS UNLOCKS VALUE

Proactive analytics is the key to unlocking the value hidden away in mountains of raw structured and unstructured data. The spectrum of analytical capabilities—from descriptive and diagnostic to predictive and prescriptive analytics—is about processing raw data into useable information and turning that information into knowledge and actionable insight. Proactive analytics is about taking action—knowing where and how to act, and measuring the results of those actions.

For health care organizations currently under or transitioning to value-based contracts, proactive analytics offers a tremendous opportunity to optimize performance and gain a competitive edge by addressing affordability and cost concerns, delivering better value to stakeholders throughout the system, and managing through market uncertainty.

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ABOUT MERITAIN HEALTH

National leader in third-party plan administration, business process outsourcing, self-funded plan designs, network management solutions and health management strategies

Over 30 years of experience

Over 1 million member lives across the U.S.

Independent subsidiary of Aetna

70% increase in member population since 2011

» HDMS AND MERITAIN HEALTH: A POWERFUL STRATEGIC PARTNERSHIP

HDMS enables health care organizations to seize this opportunity through a powerful analytics platform that securely aggregates and integrates data from any source and performs value-added analytics and reporting that transforms raw data into meaningful information, robust knowledge and actionable insights.

HDMS partners with stakeholders across the health care system that want to move from a reactive reporting model (common in fee-for-service environments) to a proactive, analytically driven solutions model to deliver greater value and better results to their clients and members. Meritain Health is one such stakeholder.

Meritain Health, a leading national TPA, is known for providing its clients with flexible, actionable data solutions, extensive network strategies, and integrated best-in-class partner support. The following use cases illustrate how Meritain's strong partnership with HDMS has enabled them to deliver best-in-class proactive analytical intelligence and decision support to clients.

DELIVERING VALUE ACROSS FOUR KEY DIMENSIONS:

1. Trend analysis
2. High-cost claimants
3. Specialty drug costs
4. Network leakage

» TREND ANALYSIS

Standard health plan reporting shows comparisons of current versus prior periods. This helps identify trends but leads to questions of why there are differences and what is causing the changes. One of the most important ways proactive analytics unlocks value in data is by enabling a deeper understanding of what, exactly, is driving trends. HDMS' Components of Trend methodology enables clients to drill into and deconstruct data patterns across a variety of components in order to pinpoint why trends are occurring and what is causing them—without undue extrapolation or guesswork.

USE CASE 1: IMPROVING COST TRENDS

Meritain's client, a large education system with 30,000 member lives, wanted to understand cost drivers behind a year-over-year increase in plan expenditures in order to reduce risk and lower expenses. Using HDMS' analytics platform, a Components of Trend assessment revealed the emergency department (ED) service category was significantly affecting overall plan expenses due to inappropriate utilization.

Based on this analysis, Meritain made plan modifications and developed strategies to steer members to more appropriate care, including increased contributions for preventive care and the addition of a telemedicine provider. The changes resulted in a 17.4 percent reduction in ED visits, a 20.1 percent increase in utilization of preventative care, and a 4.2 percent decrease in overall plan spending.

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USE CASE 1 RESULTS

Plan improvements by establishing plan modifications, adding a telemedicine provider and increasing contributions:

Annual savings from plan modifications: **4.2%**

Increase in utilization of preventive care services: **20.1%**

Reduction in unnecessary ED visits: **17.4%**

» HIGH-COST CLAIMANTS

High-cost claimants (HCCs) concern most payers and plan sponsors because although they typically represent about 1 percent of members, they account for 33 percent of spending. Early identification and mitigation strategies can be helpful, but plans are challenged in identifying which members will become HCCs since prior HCC status only predicts future status in 25 percent of cases.[2]

HDMS' platform helps plans identify members at risk of becoming HCCs in the next 12 months through use of predictive models based on chronic and comorbid conditions and compliance history. The platform can also predict a program's effect on members' health status, enabling clients to offer appropriate services before the member becomes a HCC.

USE CASE 2: REDUCING HCC EXPENSES WHILE IMPROVING HEALTH

Meritain's client, a construction company with 500 member lives, wanted to decrease plan expenses while maintaining the best level of care and improving health outcomes, consistent with the company's firm belief in investing in their people to drive success. Meritain used the HDMS platform to identify people with a chronic or comorbid condition at risk of becoming HCCs and compare HCC activity with medical and disease management program participation.

The analysis enabled the company to identify at-risk employees, develop early intervention and engagement strategies, and validate the positive effect of medical/disease management programs, leading the employer to provide greater incentives for participation. These strategies led to a 35 percent increase in program participation, a 6.2 percent reduction in HCCs, and overall plan savings of 23.7 percent due to the decrease in HCCs.
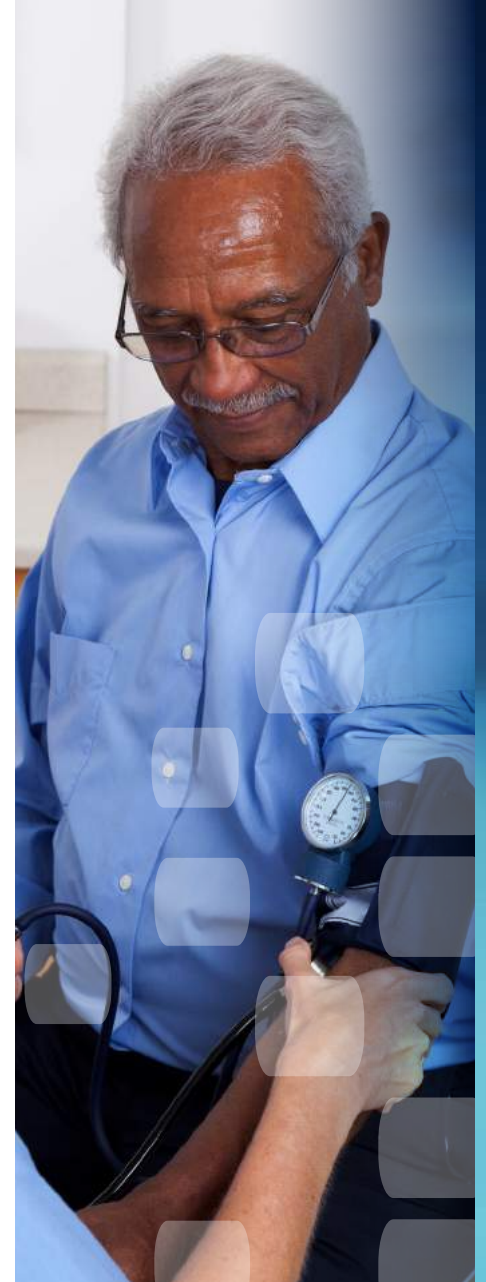
USE CASE 2 RESULTS

Validated the value of medical/disease management by identifying program participants and candidates and increasing participation with incentives:

Increase in medical management program participation: **35.0%**

Reduction of high-cost claimants: **6.2%**

Reduction of plan costs due to fewer high-cost claimants: **23.7%**

» SPECIALTY DRUG COSTS

According to HDMS client data, specialty drugs cost 10 to 15 times more than traditional drugs and account for about one-third of plan pharmaceutical spending. These costs are projected to grow about 20 percent annually. Managing this spending involves more than focusing on the drugs themselves. Cost must be considered in the context of the member's medical condition, medication compliance and treatment efficacy.

By linking medical, pharmacy and other data sources, HDMS' platform captures this holistic view and enables plans to zero in on the practical effect of specialty drug spending and developing strategies for reducing that spending while ensuring quality member care.

USE CASE 3: DECREASING SPECIALTY DRUG COSTS

Meritain's client, a large education system with 30,000 member lives, wanted to gain a deeper understanding of pharmaceutical utilization and determine opportunities to decrease specialty drug expenses while ensuring quality care for members and improving health outcomes.

Meritain used HDMS' platform to integrate medical and prescription data for high-cost and high-risk patients, then drilled down to ensure participation in a medical-management program focused on adherence and closing care gaps. When possible, members were moved to a lower dosage and frequency. The results included a 12.2 percent reduction in year-over-year medical expenses for members filling specialty-drug prescriptions and a decrease in specialty drug costs of 19.5 percent.

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USE CASE 3 RESULTS

Increased medical management participation to better monitor adherence, reduce gaps in care and ensure continual improvement in health status:

Reduction in YOY medical expenses for members filling specialty drug prescriptions: **12.2%**

Decrease in specialty drug costs: **19.5%**

» NETWORK LEAKAGE

Strategies to keep members in network provide an effective way to help control plan spending and ensure quality care and better care coordination—particularly important in the era of value-based care. HDMS' analytics platform features built-in research capabilities for exploring network leakage and identifying members and conditions associated with inappropriate or ineffective out-of-network care, especially in high-cost service areas. These insights inform proactive interventions on both the member and provider side (for example, a member's assigned primary care physician) to keep care where it is most cost effective.

USE CASE 4: UNDERSTANDING AND STOPPING NETWORK LEAKAGE

A Meritain hospital system client with 9,000 member lives wanted to gain a deeper understanding of how care was delivered outside their network by analyzing referral patterns, member demographics and treated conditions, as well as address challenges related to domestic providers referring members to out-of-network care.

Using analytical data from the HDMS platform, Meritain was able to recommend interventions, including education and outreach to referring providers, that resulted in 38 percent fewer out-of-network referrals, 14.4 percent greater network use, and an overall reduction of 10.8 percent in the hospital's medical plan spending.

USE CASE 4 RESULTS

Drove high domestic network utilization and enhanced provider care quality:

Decrease in non-domestic provider referrals: **38.0%**

Increase in domestic network utilization: **14.4%**

Overall medical cost reduction through decrease in network leakage: **10.8%**

» STRONG PARTNERSHIP, STRONG RESULTS

The vast amount of raw data available combined with system transformation to value-based care is creating the need and opportunity to shift from a reactive reporting model to a proactive, analytically powered solutions model that drives stronger results through better, more meaningful decision support. With a powerful, industry-leading analytical platform and consultative services, HDMS is a strong partner for stakeholders across the health care system that want to provide optimal value to their clients and members. For more information, please contact sales@hdms.com.

1. Smithwick, J. (2015) Unlocking the value of unstructured patient data. Becker's Health IT & CIO Review. Retrieved from http://www.beckershospitalreview.com/healthcare-information-technology/unlocking-the-value-of-unstructured-patient-data.html

2. Wilson, D., Troy, T., Jones, K. (2016) High Cost Claimants: Private versus Public Sector Approaches. American Health Policy Institute and Leavitt Partners.

HDMS SM **Health Data & Management Solutions**

Health Data & Management Solutions, Inc. (HDMS) sits at the intersection of providers, payers and employers, putting unparalleled analytic power into the hands of its customers and utilizing its extensive industry expertise to help them better manage their business and improve health outcomes. For more information, visit **www.hdms.com**.