



Webinar: Using Data Analytics to Improve Employee Benefits Costs and Productivity

March 26, 2014

Questions and Answers

1. Can you use data analytics to decrease employees' costs?

Yes, everyone benefits from a healthy population. To the extent that you use data analytics to support a successful cost containment and wellness strategy, employees will benefit in the form of better management of chronic conditions, improved health outcomes, and lower out-of-pocket costs.

2. Can you use data analytics to measure the ROI of wellness and disease management programs on employer health care costs?

You can definitely use it to measure the effectiveness of a program—for example, are your employees healthier? Losing weight? Complying with age appropriate screenings and standard of care?

Return on Investment or ROI is difficult for multiple reasons:

1. ROI means different things to different people. So the trick is to develop objective measurements that present a return on investment to each employer.
2. Most of the savings derived from these initiatives are attributed to cost avoidance, which is difficult to measure. How do you measure something that did not happen?

3. What data should employers be tracking?

Hopefully this presentation gave you an idea of the considerations when developing a data analytics strategy. As for what specific data sources employers should be tracking, that's really up to each individual employer. Employers need to consider their companies' goals and what conditions affect their individual populations—those things will dictate what data is tracked.

4. If vendors definitions differ (in your example, what is included in an inpatient claim), most typically cannot change their reporting to accommodate a definition that is different than what their system captures. How then can you "normalize" this data?

The most effective way to “normalize” the data from a vendor is to utilize a strategic partner in concert with a data vendor. For example, the vendor will provide an employer with a specific report that summarizes data according to their specifications. When working with a third party data warehouse company, the vendor will provide the raw data to your strategic partner, which they can “normalize” to ensure consistency across claim platforms.

5. For data to collect in the first data slide, you said absence files; what about performance ratings information? Are companies using information on performance (high performers vs. low performers) in this type of analysis?

While we have seen a few companies use data this way, the results of the analysis didn’t provide actionable information, nor did the data reflect any correlation between high performers vs. low performers and health/absence rates.

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