Use analytics to improve your benefits plan

When 3sHealth wanted to look at its dental plan design, prescription drug deductibles and the impact of new benefit enhancements, the first step was to take a look at its data.

By Jennifer Paterson

The association of Saskatchewan health agencies, which manages group benefits plans for nearly 40,000 health-care workers at 90 employers, has had an analytics reporting process in place since 2000, says Bud Anderson, 3sHealth’s director of employee benefits. “We use the data provided on claims — the types of claims and the frequency of claims — and do some analysis of those on an ongoing basis,” he says, noting the system, to which an in-house analyst has built-in access, is updated monthly by its carrier, Great-West Life Assurance Co.

For 3sHealth’s dental plan, for instance, the system shows a breakdown of the types of treatments employees are seeking and the number and total cost of the claims submitted. If the organization wants to dig deeper, says Anderson, it goes back to its carrier for a more detailed report.

This year, the association, due to an increase in usage, used its analytics reporting to look more closely at its dental plan. It also wanted to see whether it could tweak its prescription drug usage and pass on the savings to plan members. At the same time, the organization used a separate analytics report from Great-West Life to monitor the impact of increasing the maximum coverage available for smoking-cessation drugs, says Anderson.

“We’ve just increased the maximum available for smoking-cessation drugs and we’re now going to monitor, based on the information that’s been provided to us, the usage, and try to make some assumptions in terms of whether that change in plan design is going to be successful in helping people to stop smoking. We’ll go in on a quarterly basis to determine what the usage is and we can go back and compare it to three or four years back.”
Mining the data

Telus Health’s experience with analytics reporting is typical of Canada’s group benefits space, although carriers have different options available, depending on the size of a plan sponsor’s workforce and its benefits needs. A standard online report will often be enough for a smaller employer with a less complex plan, says Shelley Sjoberg, director of group marketing planning and field support at Great-West Life.

“When you move up to larger clients, you get more eyes looking at the benefits plan and your plan is usually more complex. So our online reporting is a great first starting point, but often you need to go a bit deeper, a bit more customized.”

When an employer wants to dig further into its benefits analytics, the process starts with a conversation between the employer and its advisor. “They might notice something unusual, they might be concerned about the direction of their spend or maybe they want to increase the spend on their benefits plan to provide richer benefits in certain areas,” says Loretta Kulchycki, vice-president of group marketing at Great-West Life.

For a larger employer, the carrier would simulate the claims experience to determine the potential impact of a change. “It’s not just about the bottom-line impact but also the impact to the particular members,” says Kulchycki. “Is it impacting a lot of people but at a small dollar amount or is it impacting just a few people at a high dollar amount? It’s really about: What are the goals of the plan sponsor and what are they hoping to achieve with this? And we, through using all the data and the simulation and the interpretation with the expertise we have here, would help them understand what that translates into in terms of impact.”

Limited analytics reporting in Canada

While carriers have access to a lot of data, benefits analytics reporting in Canada remains very “high level and basic,” says Michèle Boisvert, a senior health and benefits consultant at Willis Towers Watson. “[Plan sponsors] no longer want to look at aggregate data. They want to know: Are programs delivering value?”

Ideally, benefits analytics reporting would drill down to the individual level to track a specific employee over time to see whether the use of wellness programs or group benefits was changing behaviours, says Boisvert, who acknowledges such an approach can be a challenge in Canada due to privacy issues.

The other major challenge, according to Boisvert, is the lack of commercial data warehouses in Canada in comparison to the United States. There, large third-party companies combine data from, for example, wellness and employee assistance program providers as well as the health and disability carriers. “This is the next step for us,” she says. “As long as we look at data in the aggregate, it only tells us part of the story and we need to dig down a lot more.”

U.S.-based Truven Health Analytics offers a database that’s accessible to plan sponsors and their consultants, says Boisvert. “There are some standard reports they can run, but they can also customize their query and run custom reports. Currently, in Canada, we have aggregate-type data, so it’s very difficult to demonstrate that a program is really impacting your claims and your costs.”

Building a data warehouse

Pharmacy benefit manager Telus Health is currently building a data warehouse that will enable it to use all of the health data it has access to, says Luc Vilandré, the organization’s vice-president and general manager of payer solutions.

“It’s a physical infrastructure to start with, technology that would be residing in the Telus data centre. . . . Then, we’d have different extracting tools you can use,” he says, noting the service will be implemented through Telus Health’s customers, such as carriers. “They can access the tools online and then do all kinds of analysis on the data that they have access to with their customer base.”

The organization is also working on aggregating the health data into a dashboard-type of product that would provide plan sponsors with access to a range of key performance indicators. “Ultimately, what we’d like is a dynamic access, which means every day you process claims, your data set is evolving and your dashboard will be physically updated with the evolution of the activity in the plan, which would tell you, let’s say, on a daily, weekly or monthly basis, how it is evolving . . . and then adding predictive scenarios that could help you better optimize the plan.

“This is the end game, to give those easily accessible tools to the plan sponsor.”

As benefits analytics systems evolve, the power will move to plan sponsors. Vilandré believes the kind of accessibility to analytics that Telus Health is working on will become the norm in the industry as a mandatory service that carriers or pharmacy benefit managers will supply to plan sponsors.

“We’re not there today, but it is slowly progressing,” he says. “Right now, data is underutilized in health, and I think getting to the next level on this will bring value and will help us contain the health-care costs that every province and the country is facing.”

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