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— Luc Vilandré, TELUS Health

« STRATEGY »

# BIG DATA

TELUS’s Living Lab is a numbers game that’s coming out on top

*By Tammy Burns / Photography by Christian Fleury*

It’s an old business adage: if you can’t measure it, you can’t manage it. As true as that may be, it stands second to this: if you don’t understand it, you can’t change it.

TELUS knew it had to make a change. Like other employers across the country, the company was struggling with increasing benefits costs that, if not held in check, would put unmanageable weight on its plan.

Drivers such as high-cost biologics, an aging workforce and pressures on the Canadian healthcare system were identified as problem areas. However, having an awareness of these drivers was useful but not enough to initiate successful change at the member level. “It’s very difficult to act on a plan if you don’t have access to the data and a supportive analysis of that data,” says Luc Vilandré, vice-president, health benefits management and payment solutions, with TELUS Health.

“Between 2001 and 2011, our benefit expenses doubled,” Carol Craig, TELUS HR director for benefits, said in a company white paper. “While we

absorbed a large share of these increasing costs, plan members also had to pay more. The situation was unsustainable, and we knew we had to take action.”

So the company turned inward for help. TELUS Health (a division of the telecommunications company) offers pharmacy management, claims and benefits management, health analytics and mobility tools for physicians, pharmacists, insurers and benefits plan sponsors, giving the company a unique opportunity to apply its analytical tools to its own workplace.

## The Living Lab

In 2013, TELUS launched Phase 1 of the Living Lab—an ongoing experiment that would use research on employees’ behaviours and health patterns to establish a baseline for the company’s current situation and, in turn, highlight opportunities for savings. A health analytics team studied drug claims data from the company’s 30,000 plan members (insured under Sun Life Financial) to determine what changes could be made without negatively affecting the member base.

“We leveraged our health analytics and business intelligence capabilities to do a thorough analysis of the TELUS plan and to come up with findings and recommendations,” explains Vilandré. “We [also] did a predictive analysis.... What if we put those programs or measures in place? What would be the potential impact on the workforce of TELUS? What would be the financial impact?”

Through modelling and predictive analysis of trends, TELUS Health determined that not only did its previous plan generate no cost savings, but without any changes, costs would increase by 1% to 6% yearly.

TELUS Health’s research pinpointed four measures that would bring the highest cost savings while still maintaining a competitive benefits plan for members: mandatory generic substitution; a dispensing cap fee; maximum allowable cost (MAC) pricing for five classes of drugs (for high blood pressure, high cholesterol, acid reflux, ulcers and heartburn); and a prior authorization requirement for specialty



## Q&A

LUC VILANDRÉ DISCUSSES THE RETURN ON INVESTMENT (ROI) IN WELLNESS

### What are the issues with more prevention-focused health management?

In general, health and wellness is a concept that everybody buys into. Everybody—from physicians to pharmacists—says if we could invest more, we could improve the health status of an organization. I think the difficulty that we have been facing, as an industry, is to be able to demonstrate tangible ROI. Although there are very significant programs deployed in some organizations, it's difficult to link [these programs] to results, or to say, 'If I invest \$200 per member, am I getting a return on the health status of my workforce? Would I see a more productive workforce, fewer absences, less long-term disability?'

### How do you plan to address the ROI element?

We are working to develop models where we will be able to access the data and generate that kind of analysis. The day we are able to do that, I think health and wellness on the prevention side of the equation will probably have significant growth.

Today, it is difficult to convince some decision-makers. What kind of return do you think you're going to get? Although we're all convinced there is value, there is the challenge; that's where we're going to start. But we're walking before we're running, because there are a lot of things to do there. We're defining some of those priorities, [the] kind of programs we would like to put in place. We have done some pilots in the past—things like smoking cessation programs—but now, we really want to put a corporate plan in place. We're going to use the Living Lab and try things. Some things are going to work, and some things are going to fail. We hope that we'll be able to automate a lot of those programs and bring data analysis to them.

medications such as biologics and rare disease treatments.

Just one year later, the results were startling. After implementing all four measures, TELUS lowered its drug spend by 9.5%, with the bulk of the savings coming from generic substitution and MAC pricing (savings of 2.3% and 4.4%, respectively). The company now plans to reinvest that money back into the benefits plan to implement preventative health management programs.

While many of these changes, such as generic substitution, are popular strategies in cost management, it was the data collection that enabled the company to make educated predictions about plan member behaviours before rolling everything out. The result was a highly customized response to what many plan sponsors see as widespread issues.

"[Our plan] is not a one-size-fits-all," says Vilandré. "Every company has specifics to their industry, to the context in which they operate and to the plans they have in place. They also have different objectives and different weighting of those objectives."

"[Our strategy] is not something that's necessarily going to work for everybody else," adds Bryan Ferguson, managing principal of TELUS Health Analytics. "But the important thing to underline is that doing the analysis—and really taking a good solid look at the plan and understanding what the drivers are—is what led our benefits [team] to be able to make the kinds of decisions they made."

### Spreading the News

Even before TELUS began to implement the plan changes, it put a heavy focus on communication. "The No. 1 objective of our HR group was that we didn't want to create negative impact or cause disruption to our plan members," says Vilandré.

Messaging was highly detailed and shared across a variety of platforms. Among the communication efforts were face-to-face information sessions, a benefits wiki on the company's intranet, an animated video explaining the changes, supplements to the benefits manual that provided information about the changes being introduced and a direct-mail piece from the insurer to all

plan members who were taking a drug affected by the new MAC pricing.

"There was total transparency to the members on how the plan would be structured," says Vilandré. "Change can bring resistance.... Let people know what you're doing, why you are doing it and what the impacts are to them—and, also, what the benefits are."

### Knowing Their Numbers

TELUS Health was fortunate, in that health analytics is its business. For many plan sponsors, collecting the data, analyzing it and understanding how to use it would require external support.

"It is a difficult thing if you don't have that [foundation]. Data is sitting in many places, goes through many gates into the supply chain, but it's very difficult to consolidate that data and ensure it is clean and that there is full integration. It takes some work," warns Vilandré. "Plan sponsors need to have access to that data—and not only to the data but to the intelligence around it—so they can manage their plan better."

"It is multi-disciplinary; it takes different skills," Ferguson agrees. "You need the skills of the economist, you need the skills of the pharmacist, you need the medical understanding, which is difficult for a plan sponsor—it's not the kind of resources that they typically have on hand.... Understanding the dynamics of what's going on—the interaction between different components of the plan—is something that requires a broad-based understanding."

According to TELUS Health, the key is to pinpoint what the company's specific needs are for its member base—not only through measuring data, but also through understanding what the data mean and predicting what opportunities might open up.

Says Vilandré, "Even if we have rising costs on many fronts, we believe strongly that if we optimize them, a lot of the plans in the country have room for improvement—room to manoeuvre, reinvest and develop more services for the members."

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