The definitive guide to payer analytics

How to harness, understand and act on data for today's healthcare economy

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Data analytics built for health plans

In today's digital age, data has become a valuable business asset. When data is aggregated and analyzed in an intelligent way, it empowers more confident decision-making and helps organizations plan for the future. Taking advantage of all the available data can be challenging in healthcare, as it leads the way in the sheer volume of information generated by any industry, many times from several disparate sources.

To keep up in such a complex industry, healthcare organizations need a faster path to insights that matter. This includes the ability to zero in on costs and utilization, population health strategies, quality scores, alignment with provider networks, and employer satisfaction and retention. This is only possible when data insights are extended across the organization with an enterprise analytics platform. With it, organizations can gain visibility into these areas while also enabling self-service analysis across several data sources, effectively eliminating the need for multiple analytics systems and expediting the entire process.

Healthcare data is growing

48%

per year, the largest growth of data in any industry[1]

1. *EMC, https://www.emc.com/analyst-report/digital-universe-healthcare-vertical-report-ar.pdf*

Staying ahead in healthcare

The shift to value-based care and changing payment models has created a new imperative to analyze data differently. As investment in payer analytics continues to grow, so does interest in emerging technologies like artificial intelligence, machine learning, predictive analytics and guided analysis—all of which can guide health plans and their constituents in making even smarter decisions that can help lead to improved financial, operational and business outcomes.

Organizations understand the promise of these technologies, but they need to know what's available to them right now and what's on the horizon.

In this report, we will cover five analytics capabilities, use cases and results that enable health plans to fully harness their data and gain true business value from it.

Let's explore!

capability #1:

Understanding the trends affecting costs and utilization

Fundamental to your success is controlling healthcare costs while understanding the causes of high costs and utilization.

By harnessing and analyzing your data, you can efficiently identify cost drivers, examine improvement opportunities, boost your negotiating power and improve the effectiveness of your product offerings over time.

Understanding the trends affecting costs and utilization

A:

Identify primary cost drivers

As you work to control costs and utilization, you can use your data to easily spot trends and drill down into their root causes.

Then, you can use analytics to generate rapid data insights and best practice dashboards that enable you to take immediate action.

B:

Gain a holistic view of the patient

With the rise in Accountable Care Organizations (ACOs) and the need to measure their performance, health plans have taken an increased interest in data analytics. Improved visibility into care enables you to evaluate patient care against evidence-based guidelines and better identify potential gaps in care.

This can ultimately increase opportunities to maximize reimbursement rates and improve health plan rankings.

C:

Collaborate across the health plan

Data is a powerful vehicle to improve team collaboration and alignment around common goals, especially when evaluating plan performance.

Data analytics helps you track and measure team progress against goals and collectively pinpoint opportunities to improve operational efficiencies. It also helps you meet regulatory and client expectations while advancing the health plan's overall position in the marketplace.

use case

Reducing ED visits and costs

Frequent utilization of the emergency department (ED) for non-emergent care remains a chronic challenge for clinicians and health plans alike. According to UnitedHealth Group, hospital emergency department cost is 12 times higher than at a physician's office and 10 times higher than at an urgent care center.[2]

Data analysis plays a key role in identifying ED overuse and curbing it among health plan members. For example, one ACO ran a utilization report revealing high ED utilization and its associated costs. With additional investigation, the ACO determined the root causes of this high utilization—which stemmed from limited pediatrician office hours and a lack of urgent care facilities that treat children. The ACO worked with local pediatricians and urgent care centers to expand treatment hours and services—ultimately reducing nonemergent ED visits and their associated costs.

ConcertoHealth lowered ER visits by 16% after partnering with MedeAnalytics.

By using predictive analytics, they reduced hospitalizations among high-risk populations, taking an innovative approach to population health and improving gaps in care.

2. https://www.unitedhealthgroup.com/content/dam/UHG/PDF/2019/UHG-Avoidable-ED-Visits.pdf

capability #2:

Improving employer transparency and satisfaction

In a competitive marketplace, health plans must improve transparency with their employer clients, brokers and external constituents while helping them understand whether their efforts to keep employees healthy are working.

With employer plan insights and efficient reporting, you can easily share valuable cost and utilization intelligence and opportunities to fine-tune programs.

Improving employer transparency and satisfaction

A:

Review employers' plans and costs

Employers continually search for new ways to improve the health and productivity of their workforce. Armed with analytics, you can look more closely at account-specific data to determine the root causes of your clients' cost and utilization trends.

The analytics platform provides a complete, integrated view of plan performance while also bringing into focus short and long-term opportunities that can affect outcomes.

B:

Share key insights and recommendations

Today's healthcare marketplace requires quick, easy access to data insights to meet your employer clients' changing needs. The challenge for health plans is quickly identifying patterns and potential issues while providing enough detail to support your findings.

With real-time insights into plan performance, you can offer suggestions to resolve problems and capitalize on opportunities. This can lead to better client retention, an increase in revenue and a competitive edge for your organization.

C:

Reinforce plan value with automated reports

A key component of improving transparency and satisfaction with clients is quickly and efficiently sharing reports that are easy to consume and digest.

An automated process that generates both online and print-ready reports minimizes the need for time-consuming ad hoc reports. It helps you quickly reveal to employers their highest risk areas, support renewal discussions and strategies, and reinforce the value and differentiation of your plan.

use case

Telling a better value story with integrated data

Data analytics can have great power to support a health plan's ability to demonstrate value to employer groups. Integrating new data sets into employer reporting can enhance the ability to tell that value story and improve decisions related to outreach.

One large Midwest health plan saved a substantial amount of time and resources associated with data analysis and reporting after launching MedeAnalytics Employer Reporting. They saved an estimated $350,000 annually and increased adoption among internal stakeholders, clients and brokers.

capability #3:

Optimizing provider networks for quality and efficiency

In addition to managing utilization and costs, your health plan is charged with delivering value through programs and policies that improve access, quality and outcomes.

Successfully engaging with providers and gaining their buy-in is central to this effort and requires sufficient data to encourage meaningful discussion and conduct performance reviews.

Optimizing provider networks for quality and efficiency

A:

Drive quality outcomes with provider alignment

As value-based care programs continue to expand, so does the need for greater payer and provider alignment. Analytics empowers you to engage providers in cost and efficiency discussions while profiling and segmenting them across cost, quality and efficiency metrics.

By sharing this data, you can collaborate with providers and help them better understand the important role they play in the delivery of efficient, quality care for the populations you serve.

B:

Enhance provider networks

Maintaining a solid, high-performing network is critical to achieving your plan's mission to ensure quality of care. With complete provider insights, you can verify that your networks align with your objectives to reduce costs, improve quality and allow for appropriate access to care.

The data empowers you to establish tiered-value networks, identify provider credentialing to build centers of excellence and encourage members to seek care from select providers.

C:

Improve costs and in-network care

With complete visibility into provider performance, you can better capitalize on opportunities to reduce costs and minimize waste.

The right data, including geospatial analysis, enables you to recapture out-of-network services and improve negotiations and contractual rates. This reduces medical expenses and encourages in-network care for services that account for a large portion of plan costs.

Optimizing provider networks for quality and efficiency

Monitor risk-based contracts

With holistic insights into provider performance, you can better monitor all aspects of risk-based contracts.

Sharing data with providers through an analytics platform gives providers insight into their performance and highlights opportunities for improvement throughout the year. These insights help providers succeed in risk-based contracts, ultimately ensuring success for the health plan with healthier members, better managed costs and higher quality scores.

Analytics empower you to engage providers in cost and efficiency discussions while profiling and segmenting them across cost, quality and efficiency metrics.

use case

Enabling greater payer and provider collaboration

In the shift to value-based reimbursement, one health plan used robust data analytics to align providers to its goals. Beginning with a limited number of provider groups, the early pilot focused on a health system that was extremely data savvy and used raw data to build their own reports.

As new provider groups were added to the program, there were some who wanted summarized reports and tailored insights (not raw data). Smaller groups wanted more reporting on how they were being paid for value over a number of services. Over time, additional contracts, programs and value-based payment types were introduced. Scalability quickly became a concern.

To address these challenges, the health plan assessed its provider reporting while translating gaps and findings into a roadmap of reporting capabilities. This ultimately provided self-service access for internal staff and provider groups. Users gained access to auto-generated reports, executive-level dashboards, claim-level detailed analysis and the ability to conduct their own research to glean action-oriented insights.

capability #4:

Focusing on the health of high-risk patient populations

For both payers and providers, achieving healthy outcomes is a fundamental priority. Data analytics plays a crucial role in identifying and stratifying at-risk individuals and populations that need additional services while also demonstrating the impact of your programs.

When decisions are made with fragmented systems and inaccurate historical data, it's easy to lose opportunities to engage and educate members before their conditions worsen. When coupled with near real-time data, analytics enables you to define more timely care management interventions, identify members at risk for fractured care, monitor medication compliance, manage multiple population health initiatives and evaluate the effectiveness of those programs.

Focusing on the health of high-risk patient populations

A:

Analyze population health outcomes

The move toward population health requires you to improve data collection and sharing, drive collaboration among payers and providers, and align key stakeholders to common goals. You can capitalize on the power of prevention by turning data insights into the actions that will improve outcomes.

With a holistic view of patients, you can identify targeted opportunities to close gaps in care and ensure quality, coordinated care.

B:

Identify chronic conditions and interventions

Data analytics takes the guesswork out of defining population health initiatives. You can quickly identify which patients are at risk, who would benefit from outreach and education, and whether your care management and wellness programs are effective.

The data enables you to monitor members not compliant with prescribed therapies, those with pre-diabetic and hypertension indications, and those receiving conflicting or duplicative care.

C:

Measure cost improvements and manage risk

Your population health initiatives are only as valuable as the results they achieve. Use your data to measure the effectiveness of interventions, as it can reveal insights into readmissions, avoidable admissions, high-cost radiology services, brand-name vs. generic drug utilization, ED utilization, clinical episodes of illness and related services.

This enables you to consistently monitor and forecast utilization and costs while evaluating population health performance.

Focusing on the health of high-risk patient populations

Improve patient satisfaction

In addition to quality measure performance and cost control, payers and providers are measured on patient satisfaction, a key priority.

Patient satisfaction is particularly important as it directly affects reimbursement for Medicare Advantage members as Centers for Medicare & Medicaid Services (CMS) measures specific patient satisfaction results with quality measures in the STAR program.

When coupled with near real-time data, analytics enables you to define more timely care management interventions, identify members at risk for fractured care, monitor medication compliance and manage multiple population health initiatives.

use case

Managing high-cost claimants and chronic conditions

As value-based care places greater emphasis on quality outcomes, one health plan used its data to get a bigger picture on factors affecting patient populations. It became evident that members with comorbid behavioral health and medical conditions were more likely to use the ED—about three times more than members without mental health conditions. They also recognized that diabetic members were hospitalized longer than non-diabetic members.

With data that included Symmetry's® Episode Treatment Groups (ETGs) and Episode Risk Groups (ERGs), the health plan quickly identifies and targets members for appropriate outreach by drilling down into the data by age groups and conditions. Findings that previously took three weeks to compile and deliver are now generated in minutes, allowing for more proactive care and management of costly chronic conditions.

capability #5:

Enhancing quality measure performance

With a new healthcare economy defined by value over volume, payers and providers must work together to improve quality outcomes and achieve the quality scores that reflect this pursuit. A scalable quality management solution can help you efficiently close gaps in care and avoid duplicative care as you work to improve quality measure performance.

In fact, industry analysts say healthcare payers play a new role in the drive toward quality, working to bring key stakeholders together through aggregated data. This requires a technology shift and a new mindset that enables you to share the information that will actively drive clinical decision making.

Improving quality measure performance

A:

Boost health plan rankings

Building an effective quality management program requires the measurement and monitoring of your performance on a host of quality measures, including HEDIS®, CMS STAR Ratings, QRS, AHRQ, PQRS, NQF, and custom quality measures.

Streamlining your processes with analytics allows you to proactively monitor performance and identify where to take action to improve your rankings.

B:

Streamline workflows for ongoing quality improvements

Improving quality scores is a year-round endeavor, not a seasonal rush. Waiting until reporting season to gather the required information could leave you with performance gaps and no time to improve them.

With an analytics platform, you can gather information from clinicians throughout the year to meet deadlines without the need for temp or third-party help—ultimately optimizing time, resources, costs and submission accuracy.

C:

Identify and close gaps in care

One of the first steps in improving efficiency in quality management is identifying high-risk patients and gaps in care.

A scalable quality management program with data analytics offers the tools you need to create personalized, automated interventions to close gaps in care, prevent unnecessary readmissions, and measure the effectiveness of your quality improvement initiatives.

use case

Closing gaps in care

Using clinical indicator data to track individuals with diabetes and other chronic conditions can help evaluate quality efforts and close gaps in care. To this end, one ACO ran a report on gaps in care to identify patients diagnosed with diabetes in other settings. With this report, the ACO identified diabetic patients with gaps in HbA1c monitoring, a key factor in measuring blood glucose and assessing medication changes.

Armed with this information, the ACO worked with primary care physicians to encourage proactive outreach to patients with diabetes. Improved communication helped educate patients on the need for regular attention to their blood sugar levels, the importance of medication compliance, and how they can be active participants in improving their own health.

Health plans need innovative analytics

As these capabilities and use cases demonstrate, data plays a powerful and crucial role in achieving the objectives of health plans looking to reduce costs and improve outcomes through increased member and provider engagement.

Whether your individual focus is on care management or compliance, an enterprise analytics platform implemented throughout the organization provides the data-driven insights and actions that lead to an improved health plan reputation—ultimately empowering you to succeed in a competitive marketplace.

Where are we headed?

The future of payer analytics

Artificial Intelligence (AI) has been top of mind in recent years, and health organizations are increasingly drawn to AI because of its promise to properly manage and make use of vast amounts of information.

AI is currently used to analyze only one percent of the healthcare data, but that is expected to grow over the next five years. The industry will evolve to support and make sense of additional data sources from various entities, providing health plans with more holistic views of the patient. This 360-degree view supports informed clinical and coverage decisions based on patients' needs at a broader scale.

Machine learning, predictive analytics and guided analysis

Huge volumes of data are being generated in healthcare daily. Machine learning is the application of AI that can be trained to look at vast amounts of structured and unstructured data.

Machine learning leverages the data to:

- Identify anomalies
- Perform forecasts
- Guide users where to take immediate action

Machine learning models offer health plans the ability to push forward from a time-consuming, reactive decision-making process to more proactive management of costs and care.

Building on machine learning, predictive analytics uses the past to look forward on healthcare specific issues. This could include predicting which members will require the most care and who will drive the highest costs. The promise of predictive analytics has yet to be fully realized in healthcare, but machine learning is the most recent advancement that can help unlock the potential of predictive analytics.

Predictive analytics can help address questions such as:

- Who is at risk of a high-risk pregnancy based on age, medical history, etc.?
- Who is not currently a high cost claimant but likely to be soon?
- What's the likelihood we will hit our performance goals by the end of the quarter?

To help users understand why a prediction was made or an anomaly was detected, guided analysis shows you what to do next through narratives and dynamic dashboards. It can push useful alerts or insights to appropriate stakeholders, explain in plain English why particular trends occurred, suggest effective dashboards and reports for drill-down, and even connect people who are working on similar initiatives.

Just the beginning

The healthcare industry has only scratched the surface of what's possible with analytics. Moving ahead, look for these technologies to continue to improve. Advanced analytics has the potential to help health plans more quickly transform data into actionable insights, driving administrative efficiency, improving the cost and quality of care, enhancing revenue growth, and moving the industry forward.

For more than 25 years, MedeAnalytics has been dedicated to helping healthcare organizations use their data to make even smarter decisions. In an environment where the growth of healthcare costs consistently outpaces GDP growth, it is more important than ever for payers to utilize their data to effect change. Payers leveraging MedeAnalytics to its fullest potential have consistently outperformed the industry in containing healthcare costs. In doing so, they have been able to grow their membership considerably faster than their industry peers, too.

MedeAnalytics continues innovating in these areas and others, offering new capabilities that enable clients to innovate at record-breaking speed.

To learn more about our Payer solutions or to request a free demo, visit medeanalytics.com/payer-solutions.

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