# THE DIGITAL DIFFERENCE

## AS SELF-INSURANCE DIGS DEEPER INTO DATA ANALYTICS AND TECH TOOLS, REVOLUTIONARY RESULTS MAY LIE ON THE HORIZON

Written by Bruce Shutan

In the Information Age, data analytics, predictive modeling, machine learning, deep learning, artificial intelligence (AI), blockchain and other technology solutions are changing the face of self-insurance. Disruptors are rapidly entering this space with digital toolkits that include anything from personalized dashboards that tap mobile apps or AI smart speakers to analytic platforms that spot high-cost claimants, care gaps, medical errors, etc.

For self-insured employers, the use of advanced technology is as much about human capital management as it is burnishing health and productivity. Some of the world's most admired brands are deploying digital tools across the HR ecosystem.

At Hitachi, for instance, AI was used to craft 150 data points that helped identify the causes of poor health among 45,000 employees, according to futurist Mike Walsh. In analyzing the characteristics of high-performing employees, the Japan-based company found that maintaining good mental and physical health was critical for improving worker efficiency and creativity.

### IDENTIFYING COST DRIVERS

This hypothesis, of course, applies to workplaces around the world. More than half of the U.S. total healthcare spend can be traced to so-called commodity care involving routine medical procedures, lab work, imaging and prescriptions, notes Jim Lewis, founder and CEO of Predictive Health Partners, whose technology solutions identify cost drivers.


Jim Lewis

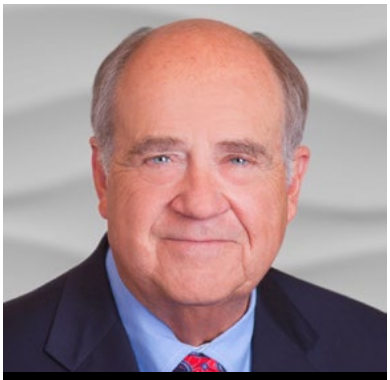
"That's where we focus," he says, noting that about half of that roughly $200 billion a year spending is wasteful. Chief culprits include inflated pricing in traditional PPO network facilities and expensive prescriptions whose discounts pharmacy benefit managers (PBMs) peg at a very high Manufacturer's Suggested Retail Price.

While self-insured employers may get better at managing what they can measure, to paraphrase business guru Peter Drucker, their success will swell as long as certain conditions are in place. Namely: the data mining isn't siloed, it optimizes real-time insight and produces meaningful action, according to Mayur Yermaneni, chief strategy and growth officer of eQHealth Solutions, a population health company.

It's important for them to trust but verify the reporting component, he says, but they also must be able to turn clinical insight into actionable steps that help consumers change their behavior. The best health care analytics do not require a system login, Yermaneni notes. They also stratify the risk of all health plan members, automatically assign tasks to the services team and send information about each case to personalized dashboards.


Mayur Yermaneni

## ELEVATING EARLY INTERVENTION


Neil Godbey

The firepower of applying bleeding edge technology to self-insurance is clearly early intervention. "If you're reactive to someone that just spent $200,000 or $300,000, you've lost the battle," observes Neil Godbey, CEO of Advanced Plan for Health, which manages health care costs and risk. "You intervene prior to the time or motivate them to be a better consumer."

His company's Poindexter technology platform uses a deep learning process as part of its predictive modeling capability to identify individuals who are at risk for an ER visit, inpatient hospital stay or readmission. Deep learning is a subset of machine learning and AI that processes massive amounts of information and spots data patterns.

Poindexter, whose smartphone app is set to launch this summer, can predict coronary, neurological or orthopedic events, as well as heart attack, stroke, diabetes and malignant cancer. The hope is to eventually integrate into this model social determinants on health, including what motivates individuals to make a meaningful difference in their lives.

There are several other avenues available for elevating health plan management. Tom Witter, president of the Virtual Benefits Administrator health care payer system, is a big believer in gamification for better member engagement and motivation, as well as disciple of the movement toward a real-time health system of the future. The latter embraces a sense of immediacy that consumers of most goods and services have now come to expect through online purchases. When used together, he says these approaches pack a powerful punch in helping improve patient outcomes and the member experience, plus reduce costs.

Real-time claims adjudication can help self-insured employers and third-party administrators "potentially negotiate better discounts and reimbursement rates with providers," he explains, because receiving funds right away removes financial burdens and speeds operational efficiency. "Revenue cycle management is a big concern on the provider side," Witter adds.

## REAL-TIME BENEFITS

As self-insurance digs deeper into the digital age, the use of real-time data is expected to improve outcomes and revolutionize both the patient experience and claims management. In the case of


HOW ARE WE CREATING THE FUTURE OF HEALTH CARE? TOGETHER.
AmeriHealth
ADMINISTRATORS
www.ahatpa.com

a prior authorization request for services, Yermaneni says the issue is how payers can change the timing of intervention rather than just focus on what was covered or the plan's risk, regardless of whether the claim is eventually paid or denied.

When clinical decisions are siloed and based on what transpired months ago, he cautions that the data may be somewhat stale. There's "still a need to understand the timing impact," he explains. "That's where we do the operational layer of the data."

His company's secret sauce blends a base patient profile built on historical data and claims with a real-time component and qualitative profile that are tied to an algorithm. "This is where the AI or machine learning comes into play," he says.

eQHealth Solutions offers employers care coordination, which may feature community-based resources, and a host of medical management services that include prior authorization, utilization management, case management and disease management. Three modules are used to examine clinical issues and aggregate electronic health records, as well as offer business intelligence insight and optimize a client's health care spend. The dual aim of these tools is to improve member outcomes and reduce the plan's financial burden.

## USING THE RIGHT REWARDS

Technology offers employers a platform for accessing a narrow network of preferred high-quality providers for routine care and efficacious prescriptions that don't cost a fortune, according to Lewis. But the trick is designing incentives or rewards that will steer covered lives to these resources.

He suggests that it requires a shift in mindset to think of employees and their dependents as customers who appreciate coupons and saving opportunities. A health plan could wave cost-sharing on certain procedures such as a CT scan that are done in network, pad health savings accounts or issue gift cards to help pay for an in-network colonoscopy. Lewis likens these scenarios to receiving an income tax refund.

Digital tools certainly can help convey important messages about the way plans are designed. Predictive Health Partners has a platform called Benjamin that reminds health plan members that there will be no copays if they choose preferred facilities on particular procedures. It also provides them with geo-specific maps to help navigate their way to doctor appointments. Mindful that people forget things, he says "you're just making it as convenient with the technology as you possibly can."

Predictive Health Partners loads aggregated claims into its database of 250 million Medicare records from the Centers for Medicare and Medicaid Services (CMS), which offers a reference-based price. Side-by-side comparisons are made of every claim based on 6,500 Current Procedural Terminology (CPT) medical codes, which reveal wild price variations. Layered on top of these pricing tools is an independent quality database.

"Ironically, we find that a lot of the really high-quality facilities are actually lower cost," Lewis reports, admitting to being somewhat surprised. "I think a lot of the cost is that there's a facility charge embedded in so many of the provider bills."

## 'AN ONGOING CONVERSATION'

The use of advanced technology is expected to help self-insured employers transition to more proactive applications for wellness and disease management. Annual or periodic health-risk appraisals need to become "an ongoing conversation" with employees about their health issues, stress level or life circumstances, suggests Neal Sofian, CEO at tuzag, inc. His firm provides employers with an omni-channel digital conversational AI concierge service that recommends relevant health-related content or resources to individuals like Amazon does for its shoppers.

Those applications may involve anything from managing health and productivity or creating healthy work environments to improving drug adherence after cancer treatment or helping stroke victims learn to walk.

The convergence of organizational development and behavioral health will elevate data-mining to new heights, while do-it-yourself medical testing will enable care to be remotely delivered and monitored, Sofian predicts.

## RX PRICE ENGINE

With prescription drugs representing the fastest-growing portion of health care costs, Lewis is aggressively targeting this area to help employer clients save money. His firm has created and licensed a direct-to-the-manufacturer price engine for costly specialty scripts that eliminate the PBM and local retail pharmacy. The arrangement, which he describes as the only one of its kind in the marketplace, secures substantial discounts from pharmaceutical companies whose products are listed on the platform and ships scripts to a health plan member's home.

"It's all permission-based and HIPAA compliant," he explains, in terms of consumers who agree to be included in a database that will alert them to savings opportunities on their prescriptions. The Rx engine will proactively shop for deals on behalf of these health plan participants.

One dramatic example of the potential to not only save substantial amounts of money but also lives is a prescription medicine used to treat life-threatening allergic reaction called AUVI-Q. Lewis is able to secure a wholesale price of $300, which the employer picks up, compared to a retail price of $4,800 for just two doses. "The employee doesn't have any cost, and the employer just saved $4,500," he reports. Not all prescriptions fit this model. One such example would be high-end biological drugs that need to be administered at a hospital.

Godbey recalls how Poindexter predicted with great accuracy the life-saving readmission of a CEO who soon after suffered a heart attack. What will make this app transformational, he says, is an ability to not only intervene prior to a serious health episode, but also arming patients with information to better manage their health and identify the level of provider quality.

## IMPROVING QUALITY MEASURES

The trouble with quality data is that it's difficult to access, isn't consumer-friendly and databases are limited to CMS, says Godbey, who expects better results within the next two to three years.

Liberty Mutual entered the Employer Stop Loss Market through its acquisition of TRU Services, LLC in April 2017. Since then we have merged our brands and are issuing the Liberty Insurance Underwriters Inc. (LIU) Policy.

You will receive the same service you have grown to know of TRU, but with the strength of Liberty Mutual.

**For more information please contact:**

**Rocko Robinson, Senior VP of Underwriting and Sales**

**Email: Robert.Robinson01@libertyIU.com**

20 Plus years of industry knowledge, expertise, and unsurpassed service

---

Strength of Liberty Mutual which holds an A rating by both Best and S&P

---

Plan Mirroring availability

---

Disclosure statements no longer required on renewal business

---

Specific Advance Funding ability with enhanced features for qualified producers

---

152 Conant Street

2nd Floor

Beverly, MA 01915

Phone: 978-564-0200

Fax: 978-564-0201

Website: www.truservices.com

Liberty International Underwriters®

He believes it's hard for self-insured employers and their employees to compare the quality for individuals who are, say, 65 or 80 and require a hip replacement with someone in need of another medical procedure or those with a malignancy. But even with impeccable data and all the latest technology, he doubts superior health outcomes will be achieved without a patient advocate to motivate individuals to make necessary changes that ward off costly claims.

By harnessing technology to improve outcomes and lower costs, self-insured employers can demonstrate that they're good stewards of the health plan and avoid litigation, Lewis observes. Citing many unintended consequences associated with cost shifting onto employees, he senses a ticking time bomb concerning breaches in fiduciary responsibility under ERISA. Some law firms have filed class-action lawsuits on behalf of consumers who they say are being overcharged for medical services, and he sees many more on the way.

Americans borrowed $88 billion last year just to pay medical bills, he laments, while 40% of the population is "more afraid of a surprise medical bill than they are the disease or illness itself." In addition, Lewis sees a high percentage of people who aren't adhering to care or prescriptions that they're taking for fear of the cost.

Clearly, employers would like to see better results. Yermaneni says the self-insured market increasingly expects plan administrators to focus more on managing their risk than simply paying bills on time. "At the end of the day, all the analytics and fancy technology in the world does not change the fact that somebody still needs to act on that data," he says. "Where you make an impact is in changing the behavior of the consumer."

Bruce Shutan is a Los Angeles freelance writer who has closely covered the employee benefits industry for more than 30 years.