How data diving can help lower health care costs

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Diane Hess at the Lancaster Chamber in the Southern Market Center. She is project manager of the Business Group on Health, a nonprofit affiliate of the Lancaster Chamber that does an annual survey of health benefits at Lancaster County businesses.

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We'd all like to save money on health care. That's especially true when it comes to costs businesses are laying out for employee coverage.

The Central Penn Business Group on Health was formed to collect and analyze data and help businesses lower health care costs.

Originally founded in 1984 as the Lancaster County Business Group on Health, the organization was renamed early last year to reflect an expansion to its reach and the needs of the community.

Today, it covers seven counties throughout central Pennsylvania.

In fall 2016, the organization's leadership saw the need to work with an independent aggregator of health care data to collect information on health care costs in the region.

"We formed a partnership with Innovu, based out of Pittsburgh," says Diane Hess, executive director of the Central Penn Business Group on Health. "They have very robust tools designed to allow employers to gain insight into what's going on with their data."

To complete the study, the organization reached out to large, self-funded employers in their market and asked them to contribute their data. Once the data was collected and analyzed, Hess says, they were ready to reveal what it showed.

"We believe it's our obligation to share what we're learning with the larger community," she says.

In summer 2018, the organization hosted its first "data reveal event," she explains, noting, "the goal is to say, what is the data telling us on a more global basis? Is there programming we should push for in our region? Is there a trend in the region that should be addressed?"

The organization has now hosted two such events, with the second one held in January.

"They have provided insights around what's happening from a cost perspective and what employees are doing to either maintain or improve their health," she says.

Looking at the data involved a deep dive, more than just a surface approach, Hess says.

"For example, we can see the percentage of people in our region who are diabetics and according to our data, our percentage is lower than the national average," she says. "That's a good thing, at least that's our initial assumption, but when you start looking at the percentage of people who are not going in for routine screenings, our numbers are very high, so you can't just naturally draw the conclusion that we have a lower-than-average diabetes rate."

The data is also driving employers to consider making changes to help keep costs down for employees.

"We're looking at where is the most cost-effective place to receive care? That's a thing that's a big challenge for people," Hess says. "From there, employers can look at things like do they want to make plan design changes to incentivize people to go to a specific facility since costs there may be so much lower."

This site-of-care focus shows employers how they can experience significant cost savings by directing employees to go to certain facilities for care.

"For instance, folks who need to have medicines infused on a monthly basis, if they go to an outpatient setting of a hospital, it costs $20,000 for every injection they need," Hess says. "If they go to an outpatient center or infuse at home, they are probably going to spend about $2,200. Shouldn't we be encouraging people to go to the places where you can get the more cost-effective care? We know not everything can be done in those settings, but shouldn't we be figuring out ways to make that happen?"

Health care companies already are making changes based on the data received by Central Penn Business Group on Health, Hess says.

"Highmark rolled out a new program that began in January that is a site-of-care program," she says. "They're getting engaged and saying we can help you set up your care in one of these most cost-effective settings."

Capital also has initiated a program with a lower co-pay for employees if they get bloodwork done in an outpatient lab.

To make sure the data represents a good cross section of people, Hess says the organization needed a credible data set and the initial target was 100,000 people.

"We reached that benchmark last summer and currently have 102,000 people who report their data on a monthly basis," she says.

Data is "de-identified," meaning it doesn't reveal a particular person or particular company, but just provides an overall view of what's happening in the region.

"Our goal is to host data reveal events every six months," Hess says, with another goal to continue to grow the database. "The whole concept is not to reduce care or push more care on the employee. Our philosophy is to help employers provide good quality, cost-effective care. How can we make it happen that employees are knowledgeable about their benefits, that both employers and employees are making good decisions that in the long run will benefit everyone?"

HEALTH CARE INSIGHTS

The Central Penn Business Group on Health, together with data analytics partner Innovu, gathers health care data from approximately 100 different employers representing over 102,500 covered lives. Data comes from eight different medical carriers and six different pharmacy benefit managers. Total claims reported represented a health care spend of over $575 million, 85 percent of which was spent by employers and 15 percent paid by members.

Below are insights from the group's most recent semi-annual data reveal:

• **Site of care matters:** For our covered population, if we just moved 30 percent of people to a more cost-effective site of care for CT scans, MRIs, PET scans and ultrasounds, our employers would save a combined $3.7 million.

• **The implications of non-adherence to medical guidelines are huge:** Although only 6.6 percent of our population is diabetic, of those diagnosed, 2.5 percent have had no medical or pharmacy claims in the last year. With the average cost of a diabetic hospital stay for an uncontrolled diabetic being $22,500, this creates a potential liability of $3.8 million for those patients.

• **Controlling risk in the population is an imperative:** The average cost of care for one year for an individual with one risk factor is $3,600. The average cost of care for one year for an individual with 3 risk factors is $8,400.

• **Opportunities exist to better manage our region's high cost claimants:** Less than 1 percent of our population generated 28 percent of all paid claims. Early detection and intervention, chronic disease management services and pre-audit and compliance billing are all services that can help manage the costs associated with these patients.