

SUFFERING FROM RISING HEALTH CARE COSTS?

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Make an appointment with Dr. Data

Imagine this: You've been unusually tired, feeling run down, and suffering from stomach pains, among other symptoms. But instead of seeking help, you try to soldier on with your normal life, day after day, month after month, even year after year, without really knowing what's wrong.

Yes, that's a pretty grim scenario, and perhaps an unlikely one. After all, if you're a reasonable person, you'd probably seek professional medical help, right? Doing so would initiate a process in which a doctor diagnoses your problem and prescribes a solution. Of course, that's not necessarily the end of the story. There would likely be follow-up in which the doctor measures the progress of that solution.

The pain of your health insurance costs: are you seeking professional help?

Keep the above hypothetical scenario in mind as we now turn to something very real—and even dire—for many school districts: employer-sponsored health insurance and rising health care costs. [Annual cost increases currently average 7.4 percent in the public sector](#). Although some district administrators attempt to address the issue themselves, their efforts are often based on little more than guesswork and wishful thinking. Meanwhile, the root causes of their insurance ills go untreated.

So what's a sensible district to do? Well, if you're a larger one, particularly one with 100+ employees that uses a self-funded insurance program, you actually have a scientifically-based option available. Think of it as Dr. Data, an approach that brings together an insurance analytics expert and your district's insurance data.

Three basic steps to treatment

The Dr. Data approach basically involves understanding cost drivers, identifying solutions to them, and measuring the outcome of those solutions. More specifically, it looks like this:

- 1. Diagnosing the problem.** An insurance specialist uses powerful data analytics tools to analyze your carrier claims information for medical and pharmacy expenses. The analysis can then provide quantifiable answers to critical questions like:
 - *Who's driving your costs—employees, spouses or dependents?*
 - *Why are your employees going to the doctor or pharmacy?*
 - *Why are employees going to the emergency room—and are there alternatives?*
 - *Where are people seeking care and how do those costs compare to the average?*

Another crucial part of the diagnostic stage involves analyzing where you fit with other districts your size and in your geographic area.

2. Prescribing a solution. So, now your cost drivers are accurately understood, and a clear picture of how you compare to similar districts has been developed. What's next? You receive a carefully formulated prescription from an insurance expert—much better than your own random attempts to contain costs.

That prescription can take many forms:

- Targeted communication to employees
- Wellness initiatives intended to address your top 3 or 4 lifestyle-related claims categories
- Incentives to boost preventive action if screenings or routine care are lagging
- Focused provider networks that help to steer care toward high-quality, low-cost providers
- On-site or near-site clinics

And because it's data-driven, the prescription can be laser-like in focus. That leads to more targeted—and effective—decision-making, which in turn helps your overall insurance program operate more efficiently. Think of it like this: Your ultimate goal is to begin bending the health care trend to a level that is below local or national averages.

3. Measuring success. When it comes to remedying your district's rising health care costs, success will obviously be measured by how well you contain them. Although extensive results can take years to materialize, micro-measurements can be taken with continued, annual data analytics. These measurements can indicate if certain targeted initiatives are indeed paying off.

Don't squander the power of your data

If you're a large employer who has yet to try the Dr. Data approach, you should know this: your district's health insurance data holds great potential. Take advantage of the opportunity. Insurance professionals now have the capability to transform your insurance program spending, empowering you to make smarter decisions and allowing you to better manage costs that once seemed beyond your control.

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