BHI EXPERTS WEIGH IN

National Benchmarking Module Unlocks Insights Into Healthcare Costs and Utilization for Plans, Employers

Carolyn Jevit, Senior Product Director at BHI

Healthcare costs and utilization have always been highly variable across the U.S., making it difficult for health plans and employers to design benefits programs, negotiate with providers, and make coverage determinations. Meanwhile, employers are demanding a data-driven understanding of the cost drivers for discrete employee populations and conditions.

In our latest Q&A, Carolyn Jevit, senior product director, discusses how BHI's National Benchmarking Module (NBM) uses data to provide health plans and their employer customers with a deeper understanding of cost and utilization improvement opportunities at national, regional, plan, and account levels.

Q. Why is benchmarking such a hot topic?

Data is king today as everyone seeks to apply analytics to make critical decisions and stay competitive. Health plans want a broader view of how their products, customers, and members compare with their peers and the industry as a whole.

To truly manage population health, insurers and their employer accounts must understand differences in member demographics, geographies, industry sectors, health insurance products, and account size. For example, they must be able to probe differences in the total cost of care, unit costs, high-cost claimant status, average length of stay, prescription drug usage, and so forth.

Beyond simply revealing cost trend differences, benchmarking can reveal which interventions are working in neighboring regions or states, opening the door to improvement opportunities that can help address perennial pain points. The end game is to discover new triggers to pull when a plan or employer is confronted, for example, with a spike in ED care. What is working around the country? Is it higher co-pays, more easily accessed telehealth services, new communication strategies?

And then there is COVID-19, which has upended all of our conceptions of utilization and outcomes. This has made it all the more important to have accurate, timely benchmarking data. We are seeing huge impacts on office visits, wellness care, and chronic disease care management. It would be helpful for plans to understand these impacts locally, regionally, and nationally to optimize their future care management strategies.

Q. There are a lot of benchmarking products out there today. What sets BHI's module apart from the field?

For starters, BHI's National Data Repository, the data source for our benchmarking, has almost 23 billion claims, a true representation of the care experiences of all commercial health plan members under age 65 in every U.S. ZIP code. The data is refreshed more regularly than any of our competitors' data sets. By May 2021, we had uploaded all 2020 data, so if understanding COVID-19's impact is your goal, NBM is a great resource.

For plans and employers, the NBM is such a great tool for getting a good grasp of their market, what their comparative results are, and current trends. BHI's massive data set allows NBM users to narrow their focus to specific procedures, if needed, and identify cost and utilization drivers at the geographic level, by industry segment, or by type of service site. All of this information is risk-adjusted by age and gender. The NBM also has a high-cost claimant indicator so plans can isolate members whose costs exceed the norm and compare them against what other plans are seeing as well as national averages.

Q. If a health plan or large employer uses the NBM to slice and dice data, but doesn't have robust analytics, what happens next?

The NBM allows plans to identify a potentially problematic subset of their population for greater exploration. Then, users can turn to BHI's Whyzen™ employer reporting solution for a deeper dive. Whyzen Analytics allows users to explore the underlying factors that could be driving inflation such as high-priced providers, specialty drug utilization, out of network access issues, and so forth. Because some cost and utilization drivers may not be obvious, the Whyzen solution uses advanced AI to identify hidden data patterns and emerging trends.

Q. How would health plans apply the NBM in a real-world application?

A large national manufacturing employer used our NBM to compare its PMPM costs against those of similar companies in areas where it has significant employee concentrations. By region, the employer could see stark geographic variances. This company was outperforming its peers in the Northeast, where its PMPM costs were 12% lower than benchmark. In the South, however, medical spending was nearly 29% higher. Using BHI's tools, this employer was able to drill down further into the divisions within the southern region. It found the true outlier, the West South Central division, which was 48.1% above the national benchmark, a stark contrast with the rest of the South, which was actually 15% below benchmark. With this knowledge, the company could investigate what was driving these disparate results.

Q. What's next in this area of analytics?

It's about more. More dimensions of data, more care sites, more measures, and bigger data sets. To achieve the goals of a transformed system of care delivery, you need advanced analytics. For that, you need big data, which has been a real advantage for health plans and their customers.

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To learn more about BHI's NBM, contact info@bluehealthintelligence.com.