

THE POWER OF HEALTHCARE REPORTING

Eric Butler, of Generali Employee Benefits (GEB), highlights the power of healthcare reporting

Captives that include medical covers have a focused interest in improving the health of employee populations – not just to instil a ‘culture of health’ in hopes of better employee performance, but also to try to counter rising medical costs. This has recently become much easier for them, thanks to improvements in tech-based analytics.

Global medical reporting has developed apace over the years, and is now more insightful than ever before. The best reports providing an effective roadmap for interventions and programmes to mitigate trends and cost drivers.

GEB was the first to market with global medical dashboards and is one of only two networks able to provide such reports. Recently, GEB raised the bar another few notches. Our newest reports are far superior on a technological basis, offering information on an easier to use tabular format, with embedded benchmark reference data and, most importantly, interactive, drill-down functionality.

We have always believed that there is a story in data, and dashboards should tell it. Now the story is clearer and complete, due to dynamic functionality which is unique in the industry. This helps effectively move beyond data assessment to more insightful understanding, and offers captive clients meaningful solutions.

Outcomes rely on insights

Today, health insurers and healthcare captives are far more engaged in the health (and health delivery) of their covered pop-

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Eric Butler is GEB's director of global health and wellness with a remit to enhance the company's significant worldwide position in this area. Eric has returned to Generali after spending the last three years as vice-president of global health & wellness with MetLife. His previous work at Generali included developing and implementing the first-ever global medical benchmark reports for the market.

ulations. They are more proactive. This is a shift from payer to partner. For healthcare captives the focus of this partnership is increasingly about addressing changes in the burden of illness for a population, which means trying to have a positive impact on the current and future health of all individuals insured.

In order for employers to make a real impact on employee health, it is essential to overlay claims data with observations and insights on local population health trends, programme design, provider network structure, and any impact on plan costs from the public health sector and the regulatory environment. An understanding of all of these factors is essential to help convert data into meaningful solutions for employers and those insured.

Through this approach of leveraging information to develop insight and meaningful recommendations, the best health insurers act as partners to healthcare captives – providing illuminating reports, informed and market-specific insight into

cost drivers and their causes, comparative benchmark information, and targeted recommendations on how to address the findings.

Sometimes, due to the limited scope of cover found locally, or the local interplay with a public health system, the cost drivers within the local private medical cover are not at all related to things we would expect (like non-communicable – or lifestyle – diseases). A good analysis can identify that, to ensure that we do not over-engineer a programme that isn't driving medical claims.

Whatever the cost drivers identified, recommendations can include modifications to plan design, provider networks, pre-authorisation requirements, as well as the introduction of targeted wellbeing programmes. At GEB, we focus on wellbeing programmes that support members at every stage of the health continuum: from helping members stay healthy or return to health; to helping members prevent and manage chronic illnesses. In this way, we approach programme design holistically at the local and global level.

From theory to practical applications

GEB routinely carries out this kind of analysis for captive clients. So how does all this play out in practice? As an example, the reports for one large client revealed an unusually high amount of respiratory claims in one Asian country (>38% of total spend) compared to other clients in the same market. This spend, however, was not related to asthma, chronic lung disease or other expected respiratory issues, but rather it was overwhelmingly related to

simple colds and flus, and this was due to an extremely high incidence rather than due to severe cases. That is to say, nearly everyone in the covered population had a cold/flu claim, but the number of claims per person were few and relatively inexpensive.

We identified that local HR policy was a big driver of these statistics in that a doctor's note was required for even one day's absence, even for simple conditions such as the common cold, despite the fact that there is little a doctor can do to treat a cold. As it was, an HR policy to control misuse of sick days had the unexpected result of driving up claims for conditions where GP visits have little to no impact. We recommended an HR policy change, along with other initiatives to reduce the need for such sick days, and improve respiratory health overall. These ideas included:

- Education materials on how to avoid catching or passing on a cold;
- Implementation of targeted anti-cold and flu campaigns;
- An assessment of in-office air quality, proper changing of air filters, and improved sterilisation procedures for all office surfaces;
- Implementation of an anti-smoking campaign;
- Implementation of on-site medical kiosks and a telemedicine service to reduce demand for outpatient consultations.

As part of this exercise, we worked closely with our network partner to ensure that our recommendations were feasible locally, addressing intricacies of the local environment and the interplay between public and private healthcare systems.

What's driving the need for innovation?

Modern life is such that people are moving less, with upwards of 40% of individuals in many countries failing to do even moderate activity, defined as just 150 minutes per week. This is a big problem, as the negative impacts of a so-called "sedentary lifestyle" are well known. So are the negative impacts of being overweight, but the prevalence in many countries of individuals with a BMI of 25+ has reached 40-60% (even higher). Add to these a rise in binge drinking, persistent smoking rates, pervasive stress and more time spent in direct sunlight. All of these have contributed to a significant upward trend of NCDs.

The impact on health outcomes is seri-



ous. In 2017, over 70% of deaths were related to NCDs, with a shocking 38% of these deaths classified as "premature", meaning they involved individuals between 30 and 69 years of age. Of those premature deaths, 80% were related to four disease groups: cardiovascular disease, cancers, respiratory illnesses and diabetes.

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The rise in NCDs impacts workplace populations in much the same way that it impacts society. It's one of the key drivers of 'medical trend', the term used to describe the forecasted year-over-year changes in overall healthcare costs. NCDs are not the only driver of medical trend. Additional, directly associated causes for medical trend include new medical technology, new drugs and ageing populations.

Estimates of this forecast change vary dramatically from country to country, but most surveys conducted by broker-consultants such as Aon, Mercer-Marsh and Willis Towers Watson have placed global Medical Trend at just under 10% – more than three times general inflation (i.e. consumer price index, CPI).

In other words, healthcare costs are growing disproportionately to other costs of multinational companies. The figures are sobering. A company with global medical insurance costs of \$90m today could conceivably expect to pay \$238m 10 years

from now, absent any intervention.

If healthcare captives are to make any real headway with regards to medical cost containment, there needs to be a concerted effort to understand true underlying cost drivers within their health plans. This has to begin with data analysis.

But of course, the cost of medical insurance is only part of the story. The physical and psychological effects of NCDs on people and businesses are far-reaching and somewhat impossible to quantify, with implications for recruitment, engagement, productivity and retention.

The future of health and wellbeing

With NCDs often representing the leading cause of deaths around the world, and sometimes the leading cause of claims, this is the opportune moment for all players in the benefits ecosystem to intervene, collaborate and help improve quality of life and sustainability of insurance programmes. This is where digital solutions can also play a part, particularly since functionality has gone up in recent years and implementation costs have come down.

Multinational employers, particularly those who are self-insured through a captive, are increasingly focused on changing the health of all employees and their dependants. This shift requires health insurers who can move from being just a payer, to being a true partner.

Successful healthcare captives are strengthening their partnerships with their local health insurers, or even better through their global network providers such as GEB, using superior data analytics, as well as expert insights and recommendations to focus on managing behaviours and costs of healthcare providers. It's a classic win-win. 