ROUNDSTONE

How to Use Your Claims Data to Contain Costs

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Cost savings is important to every business owner, especially when it comes to your health insurance plan — one of your three most costly business expenses. Unfortunately, saving money on fully insured coverage for your employees can be difficult due to the **lack of data transparency with fully insured insurance carriers**.

Without access to your claims data, you can't see where your money is going or make changes to reduce costs.

With a group captive plan from Roundstone Insurance, you can take back control of your insurance costs and start saving. As part of Roundstone's coverage, you gain access to our Cost Savings Investigators (CSIs) and CSI Dashboard, which provide the data, analytics, and transparency you need to make decisions that positively impact your company's cash flow.

Discover how you can use your claims data to contain costs and make the best insurance policy decisions for your company.

What is Claims Data?

Claims data refers to electronic health records that detail an insured person's doctor visits, treatments and procedures, bills, insurance claims, and pharmacy information. Claims data provides documentation for healthcare providers and insurance companies and can even assist researchers in analyzing trends in prescription data and medical services used by plan members.

With fully insured insurance carriers, employers don't have access to claims data. The BUCAAs (Blue Cross and Blue Shield, UnitedHealth Group, Cigna, Aetna, and Anthem) have largely succeeded in keeping policy pricing opaque, working restrictive gag clauses and non-disclosure agreements into contracts.

These tactics leave employers vulnerable to unexpected increases in premiums and changes to policies that can dramatically impact their bottom line.

Why is Access to Claims Data Important to Employers?

Typically, employers who use fully insured plans don't see the data for claims filed on their policy. Instead, they experience what seem like random double-digit premium increases year after year, and no or little insight into plan utilization and claims data.

When employers have data transparency in their insurance policies, they can:

- **Access all data**
- **Understand what is driving costs**
- **See how and where money is spent**
- **Identify opportunities for cost-containment measures and utilization optimization**

Healthcare should be managed like any other long-term business expense so employers can see how their covered employees are using their healthcare benefits. When you have the ability to review claims data, you can analyze your costs regularly, allowing you to implement a cost-containment strategy.

This is much more effective than reviewing your expenses once a year when it's time to renew a fully insured policy. When you look at health insurance only once in 12 months, it becomes nearly impossible to predict and manage costs year to year, resulting in unpleasant surprises when your premium increases.

Having access to the data to monitor your expenses throughout the year lets you take action, such as implementing employee well-being initiatives and providing primary care incentives, to keep healthcare expenses from increasing and ensure consistent costs in the long term.

How Does Data Transparency Benefit Your Business?

Data transparency benefits your business in multiple ways, the most prominent of which is saving you money upfront, positively affecting your cash flow over the fiscal year.

Roundstone's group captive insurance plans are structured to ensure you can make changes based on the data you review. Employers who take advantage of data transparency see savings up to 20% per year, compared to those using fully insured plans for their business.

With Roundstone's data transparency, your business benefits by being able to:

- **Choose partners — brokers, third-party administrators (TPAs), and pharmacy benefit managers (PBMs) — who meet the needs of your company**
- **Run a cost-benefit analysis of the plan at any time**
- **Monitor savings and retain them for the future rather than paying that money to a large corporate insurer**
- **Realize a return of unused premium dollars**

Choosing a group captive plan for your employees gives you the flexibility to track spending, expenses, and returns, so your financial gain is greater in the long run. Data transparency enables smart decision-making for your business.

Roundstone's CSI Dashboard for Claims Transparency

Gathering claims data can seem overwhelming to employers, especially those who have never had access to this kind of data transparency in the past. Roundstone makes it easy by providing employers with an integrated analytics platform

The CSI Dashboard provides meaningful insights to Roundstone's group captive insurance participants so you can analyze cost and quality of care through the many reporting features.

It also provides an updated view of claims under your group captive insurance plan, allowing you to track company spending in real time. We do the work of gathering claims data for you while you collect the savings.

Within the CSI Dashboard is the pharmaceuticals dashboard, where employers can track brand-name versus generic drug costs, their total pharmacy spending, expensive specialty drug use, and more.
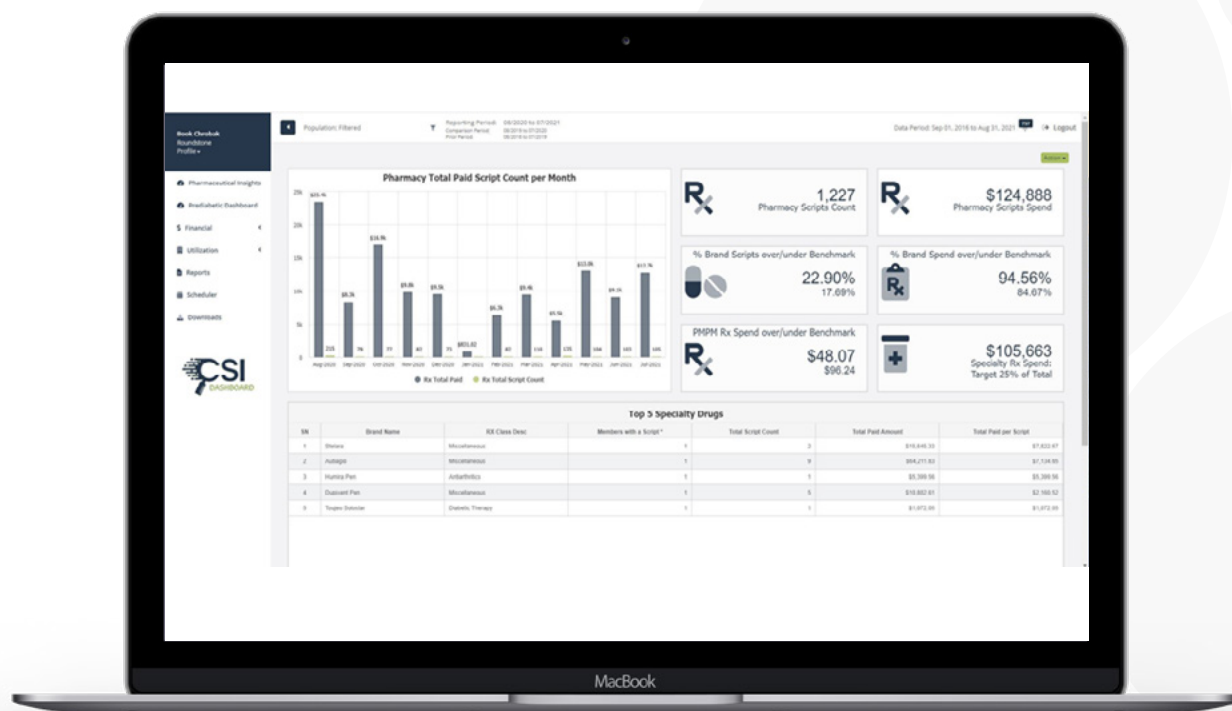
With your individualized CSI Dashboard, you can view category level expenses such as high-cost claims, prescription costs, chronic conditions management, routine office visits, and physical therapies. These allow you to determine how your company is performing against national benchmarks to find where you may need more cost-effective solutions.

The CSI Dashboard makes it possible for your team to get the savings you want without straining company resources to gather and track claims data.

Here are some of the ways the CSI Dashboard helps you to analyze and improve your group captive insurance plan:

Easy to Use

The CSI Dashboard is easy to interpret and navigate without any training, allowing employers to view clearly arranged data with a simple click or two. You'll see comprehensive descriptions explaining what the information you're viewing represents, so there's no confusion about what you're seeing.

Offers Automated Reporting

Gathering claims data has never been easier. With the CSI Dashboard's automated monthly reports, you'll see breakdowns by service type, claim category, and conditions treated. You will gain actionable insights into your company's medical spending habits so you can tweak your coverage and provide better benefits for your employees while reducing costs.

HIPAA Compliant

All personal health information and claims history remain anonymous, protecting your company by ensuring HIPAA compliance. We provide you with an aggregate-level view of your claims data for different categories without using identifying information about your employees.

Enables Benchmarking

Understanding how your data stacks up is impossible when there's nothing to compare it to. That's why our CSI team provides national benchmarks for you to weigh your claims spending against, giving you a better sense of your company's performance.

Comes With Assistance from the Roundstone CSI Team

Roundstone's CSI team members are experienced in data analytics and have the necessary healthcare industry experience to help you create and implement a cost-savings plan.

How Can You Use Your Data to Contain Costs?

By allowing Roundstone's CSI Team to take on the task of gathering claims data and presenting it to you in a way that's easy to understand and interpret, you can save time and money by not having to do this research yourself.

Our support team is always available to advise you and identify cost-containment opportunities. Our job is to help you analyze your individual claims data provided by the CSI dashboard tool to identify where you are over- or undercovered. Then, our experienced CSI team gets to work to identify solutions that best fit the coverage and cost needs of your company.

Following are ways you can use your data to reduce your healthcare spending.

Understand Employee Needs

Although claims data is anonymous, the data points provide employers with the critical information to create a custom plan. This plan should address employees' specific needs, offering healthcare options and benefits they need and none they don't, curbing unnecessary spending.

Reduce Prescription Spending

A critical cost-containment strategy is reducing pharmaceutical spending by working with a <u>transparent or pass-through PBM</u>. While traditional PBMs work for the major fully insured insurance carriers, the right PBM will advocate for you to find more cost-effective ways to provide prescription coverage for your covered employees. If you're unsure, we'll help you find one.

Minimize Unnecessary Emergency Care Spending

Gaining access to claims data allows you to monitor the percentage of avoidable ER visits. If the percentage is above the allowable threshold, it indicates that members are going to the ER for physician's visits or non-emergency care, increasing spending.

Employers can use this data to work with their TPA to work incentives and disincentives into the health plan, such as rewards for participating in a company exercise group or higher co-pays for non-emergency ER visits.

Implement Case Management Programs for Chronic Illness

You can design and implement a case management program for people with chronic illnesses to prioritize primary care and overall well-being and minimize the number of emergency department visits. Rather than paying higher costs for undertreated chronic conditions such as diabetes, you can provide coverage that allows members to understand and manage chronic symptoms through personalized care management.

EXAMPLE IN ACTION:

For many of their members, Roundstone uses wholesale suppliers for diabetes testing supplies. This helps with cost containment for insurance spending. It also provides better care for the insured employee with the condition.

As a result, they receive the care they need which helps them manage their condition and maintain better health, which reduces healthcare costs for your company.

Hold Vendors Accountable

If you want to successfully contain costs, you must hold vendors accountable to deliver the agreed-upon services at the expected rate. While fully insured insurance carriers don't give you access to the data you need to monitor a vendor's integrity, the flexibility of a group captive plan does.

Cut Ties with Vendors Not Providing the Expected ROI

Similarly, if a vendor is failing to provide the return on investment you expected when incorporating them into your plan, you must take action to contain costs.

This usually means that if, after holding the vendor accountable, they don't offer you a better rate or make other adjustments to meet your needs, you can decide to cut ties with them and find an alternative vendor whose costs are more in line with your budget.

Implement a Quarterly or Monthly Review of Costs

To keep costs down, employers must implement more frequent reviews of their expenses based on available data. An annual review of insurance costs is unrealistic for cost containment and managing premiums. At that point, the expenses may have been higher than you were aware of for months, resulting in significant premium increases.

If you consistently review your plan costs on a quarterly or even monthly basis and compare them to your prior data for reference, you can understand where you might be overspending with one vendor or in a certain coverage area. This insight enables you to take action to correct overspending.

EXAMPLE IN ACTION:

Based on a review of costs, Roundstone Insurance was able to save one company $200,000 per year in prescription costs. By reviewing their data, the CSI team noticed the company was overspending on prescription drugs every year, with a total cost of $250,000. Roundstone found a solution by switching the company to an overlay program for $700 per month. This change reduced pharmacy costs to $50,000 per year.

Identify Actionable Data

To effectively contain costs, you need to ask, what areas can we quickly identify and impact to save money? These actionable insights show you where you can make changes to your group captive insurance plan to lower expenses and improve ROI.

Nearly every point displayed on the CSI Dashboard is actionable, meaning you can use the knowledge it provides to adjust your spending on treatment and pharmaceuticals or create well-being incentives for your employees.

The best part of these actionable insights is that with Roundstone, you can implement the solutions right away. Unlike other insurance companies, you don't have to wait until renewal time; with Roundstone, your CSI team finds solutions and puts them in place as soon as possible to start getting your savings.

EXAMPLE IN ACTION:

Roundstone helped one company with a cost-savings solution for dialysis treatment coverage. The result was the company's expenses immediately reduced and remained low after the switch.

Get Access to Your Claims Data With Roundstone Insurance

At Roundstone Insurance, we believe that asking your insurance carrier for information about your claims and other costs shouldn't be difficult, and you shouldn't have to ask.

When you join a group captive insurance plan with Roundstone, you gain access to our skilled CSI Team and useful claims data via our CSI Dashboard, ensuring total data transparency.

You can use this information to take advantage of your plan's flexibility, making changes to provide the best, most cost-effective coverage to your employees. Use the available data to create a plan that meets the needs of your business while providing your employees with coverage they need while not paying for items they don't need, such as high-cost specialty drugs.

At Roundstone, we have been helping companies save money on employee benefit plans since 2003. When you choose Roundstone's group captive health insurance, you'll enjoy the flexibility of a self-insured plan that gives your employees more and costs you less.

For More Information

To learn more about our commitment to affordability, transparency, and control of your employee health benefits, as well as a better understanding of how group captives work, read **Why Choose Roundstone for Group Captive Insurance**?

Request a Proposal from Roundstone

Request a proposal and benchmark review today to learn more about group captive insurance with Roundstone.

Request a Proposal

If you'd like to learn more about providing your company with the benefits of group captive health insurance with Roundstone, request a proposal and benchmark review today. We're ready to work with you to create a group captive insurance plan that's a perfect fit for the needs of your company.

Request a proposal