

Making Analytics Work, for Work Comp

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It is said, "what gets measured gets improved." Analytics expands and advances this strategy to "what gets predicted gets **evolved**." The evolution of a model actualizes the real and demonstrable outcomes. What does an "evolved" model look like? Let's spare ourselves over-marketed buzzwords like "disruptive." Let us *keep it real* and discover the pragmatic benefits of analytics in pharmacy and the workers' compensation industry. Keep in mind, the more effective the measure, the more dynamic the opportunity to obtain the desired results.

So, what is analytics? Let's start with what it is not. *It is not reporting, charts, graphs, or data visualization.* While useful information vehicles, these are not representations of true analytics. Unfortunately, marketing and the Shiny Object Syndrome conflates these solutions in a busy array of nonsensical concepts making it difficult to understand.

A basic definition – the method of logical analysis discovering and communicating the meaningful patterns which can be found in data – is pretty accurate. An even shorter version could be "let the data tell me what I don't already know" (CSI fans might remember "follow the evidence"). Analytics begins with a business question and throws a bit of technology in the middle. However, if it does not end with a business answer, maybe it is not analytics.

The verbiage and presentation of data can be overwhelming for those familiar with analytical reporting and Information, so there is no wonder why many Risk and Claims Professionals depend on service partners to guide them through it. Others may simply allow their Third-Party Administrator or Broker to make all decisions pertaining to their program in avoidance of the statistical figures.

Analytics are not new. Using data and math to answer (business) questions and project previously unknown outcomes was developed in 1973, The Black-Scholes model is still regarded as one of the best ways for pricing an options contract. Technologies like natural language processing, artificial intelligence, and machine learning have enabled diagnostic, predictive, and prescriptive analytics to be augmented with learning, decisioning, and automation. RxAnalytics program and reporting not only has the ability to provide material evidence based on facts, it can be easily understood by Risk and Claims Professionals who are in need of its benefits. Cost mitigation and program management is much more effective when decision makers understand: How the analytics work. Who benefits from the program? When are analytics reviewed? Where changes can be made to save cost and see a ROI.

Today, a number of industries incorporate analytics as a core strategy. Disney's MagicBand solution leverages the cause-and-effect link of decision intelligence with the assimilation of queuing times,

show times, and suggestions tailored to your preferences all with mascots calling you by name – how's that for magical? FedEx optimizes their logistics processes resulting in millions of dollars saved. Amazon's "smart decisioning;" airlines predictive demand driving ticket pricing; Hollywood and casinos all leverage the capability to evolve their current models, frameworks, and processes. The list goes on ad infinitum.

So now that we have explained the basic foundational elements of data analytics, hopefully in a more palatable way, we will move into how it impacts the Workers' Compensation and Insurance Industries. In workers' compensation we can go from asking what happened and what should happen to asking our machines to automate and learn on their own from data – and even tell us what questions to ask. We can now see and predict the impact of opioids and other treatments, on return to work. Rx Analytics has the ability to go granular by asking about specific opioids and trend by asking about treatment patterns. Do you know the opioid script that triggers a significant increase in return to work for your Injured Workers? It is very different for every employer (and even changes over time for the same employer). In combination with intelligent neural network alerts, analytics can bring enhanced-decisioning to adjusters on a fast, valuable, and purposeful level (without spamming them and compromising their productivity).

We understand that in Workers Compensation, the adjuster is the gate keeper of each claim. Managing the investigation, benefits and client's programs is exhausting with the amount of documentation that is processed. Add an average of three prescriptions per lost time claim and a case load of 150-200 cases. RxAnalytics can benefit them by extracting information from existing data sets to forecast future probabilities. With it, we can analyze current and historical data to better understand Injured Workers, their injuries, and those potential risks, which result in saving employers a ton of money.

Models created based on the factors inherent in one employer does not necessarily apply to a second employer group, so **customization and specificity are key**. The same would be true about a model for one year compared to the next year within the same employer group, so status quo, as in most places, will not help you understand and improve your risk mitigation strategies in a purposeful and continuous way. Ultimately, this delay in prescription management or inability to predict and mitigate pharmaceutical costs results in larger employer dollars paid out on claims.

The psychological conventions behind decisions cannot be reduced to simple logic and are often complex and unpredictable. However – as a tool – analytics across a broad data fabric can create meaningful benefit to the Injured Worker, the Injured Worker eXperience (IWX), and clinical outcomes – **not to mention save you a ton of money.**

It can sound overwhelming but trust us – it is not. Simply start with basic business questions and advance your capabilities from there. Having the right team who can transparently review data and figures with you is a key component to positive outcome. Look beyond the buzz words and old-fashioned techniques, to find those Service Partners who are clearly providing a team dynamic.