

# DIGGING for data

Without detailed analyses of drug claims data, Cindy Palmer can't imagine how she'd be able to truly understand what's going on with the drug plan at Andres Wines Ltd. where she is director of human resources. The Grimsby, Ont.-based company has 400 employees covered under the drug plan, which changed to a customized managed formulary in 1999. "We're happy with the results," says Palmer.

Based on the 2003 to 2004 review of drug claims data, the plan's costs are still increasing, but at a lower level than other private drug plans. And dollars spent per claimant are lower than average, too.

"We're no longer in a panic position," Palmer adds. "But that doesn't mean we can sit back, say 'That's good enough,' and rest on our laurels."

Instead, Andres Wines hired a drug plan management company to help the company dig deeper into the drug claims data to get a better understanding of what is driving plan usage today, which issues will be prevalent in the future, and the steps it can take to ensure responsible utilization of the plan.

## AN UNDERUTILIZED RESOURCE

Reviewing drug claims data is nothing new to sponsors. The information has been available from insurers and pharmacy benefit managers (PBMs) for more than a decade. And most sponsors are familiar with top drug lists and prescription summaries.

Mostly, they look at reports like the total number of prescriptions filled, the resulting average amount paid per claim and a year-over-year comparison for these numbers. "Most plan sponsors check the Top 10 or Top 50 drug lists," says Chris Bonnett, president of H3 Consulting in Toronto. "But they don't use [them] for more than a quick scan. There is a lot more information that can be pulled from the drug claims data especially when it is linked to disability, absence, workers' comp, and other management reports."

Fred Holmes, senior director, PBM Center of Excellence, Emergis Inc. in Toronto agrees that both sponsors and their advisors aren't using all the data that's available. "People talk about e-health and e-prescribing and how great that will be," he says. "But the technology that's already here now offers a wealth of useful information for those who want to access it."

Plan sponsors are not necessarily taking advantage of all the tools available to them when it comes to saving drug benefit costs. Mining drug claims data can yield answers.

## By Sonya Felix

One reason that sponsors may be reluctant is that "many tend to operate on a short-term, almost crisis mode," says Kelly Fletcher, a principal with Productivity Thru Health, a Barrie, Ont.-based company that focuses on organizational health. "Their first reaction is often how do we cut this increasing cost instead of looking at the underlying factors and determining how they can best intervene on a go-forward basis."

Holmes has a more philosophical take on the situation, saying that it has to do with two different attitudes to drug plan management. "Most people are still in the supply management mode where they use formularies, co-payments and deductibles to try to control drug costs," he says, adding that the only way to curtail costs in the long-term is to dig down to the demand management side to get at prevention and health promotion.

Still, attitudes are beginning to change and the latest technology for slicing and dicing drug claims data is making it easier to actually utilize the wealth of numbers and trends found in benefits claims. While top drugs lists are useful, a lot more data can be produced with today's sophisticated database programs. "A list of the top drugs claimed to a plan simply doesn't provide enough information to determine which demographic groups are driving utilization, which disease states affect the greatest number of claimants, or whether claimants adhere with therapies," says Chris von Heymann, vice-president, Cubic Health Inc., a drug plan management company in Toronto. "In order to do that, it's necessary to analyze and consolidate complete drug claims data with clinical classifications in order to generate meaningful analyses and reports that address sponsors' questions or concerns about drug spending and employee health."

At Andres, for instance, 74% of drug plan members are under age 45 while the remaining 26% are aged 45 years

to 64 years. An analysis of the drug claims data showed the older group accounted for half of all drug spending, says Palmer. The data also showed that the top three classes of drugs—muscle/bone, mental illness and cardiovascular—accounted for 44% of drug costs and that drugs to treat obesity are on the rise.

Being aware of this type of information has helped the company to adjust the plan design to make it more suitable for the aging employee population. “It also means

that we can boost the level of education around disease prevention initiatives to hopefully prevent people from getting to the chronic disease stage,” says Palmer.

More and more plan sponsors understand that they can’t afford not to do anything to address rising drug costs, says von Heymann. “We can show them current trends broken down by gender, employees versus dependents and age bands, and break it all down by our own therapeutic classification system. We can also do a formulary change analysis

which shows what the impact would be if they made formulary or plan design changes.

### **MINING DATA TO PROMOTE HEALTH**

This summer, Green Shield Canada, a PBM based in Windsor, Ont., launched a new product which mines individual claims history and data to help sponsors address rising benefits costs, plan for the future, change health outcomes, do comparisons with other employee groups, create benchmarks and track results. “With our new program, we’re able to leverage our data into prime disease states that have big enough warning signs for future health trends,” says Mike Brown, Green Shield’s director of strategic alliance and product development.

While some sponsors might look at the detailed reports and still decide to raise or lower spending ceilings, implement co-pays or add a mandatory generics feature, the ability to break down drug claims data to create a detailed view of the workplace population should be particularly useful for health promotion. And, while many employers are already setting up workplace wellness programs in one form or another these days, many of the programs are too general in nature, says von Heymann. However, if you know that heart disease, mental illness or repetitive strain injuries are the biggest problems, then HR can target

wellness and lifestyle efforts where they are needed most.

Such companies as Dofasco, Daimler-Chrysler and Pitney Bowes in the U.S., have all linked health promotion strategies to lower benefits costs. There is also a wider acknowledgment that drugs are only part of the picture—there is a need to look at drug usage in conjunction with disability rates, absenteeism and productivity levels. In fact, workplace health consultants, like Denise Balch, president of Connex Health in Burlington, Ont. insists an assessment should include not only drug claims information but also EAP/EFAP usage and a detailed health risk assessment.

That's the case at McMaster University in Hamilton, Ont. which is currently gathering a range of data to design and evaluate a new healthy workplace initiative. "A small amount of funding in something like health promotion adds tremendous value," says Wanda McKenna, manager employee work-life support services at McMaster. "It isn't always measurable in dollar amounts since you also have to look at increased productivity and healthier employees."

In the program's initial phase McMaster is acquiring and analyzing drug claims data, along with other information such as disability rates and EAP usage. "This information is readily accessible from insurers," says McKenna. "But what's important is how we utilize the data."

Once the data is in place, it will be run through HealthEvidence, a proprietary software tool developed by Glaxo-SmithKline that translates drug, disability and other health benefit information into disease information which helps to facilitate proactive health management decisions. The next step will be an employee health risk assessment. "We are using drug claims data as a baseline to measure where we are and where we are going," says McKenna.

Technology may not be a

cure for all that ails private drug plans in Canada, but combined with a heightened awareness of what drives employee health and benefits costs, new and developing database capabilities should give sponsors more information they need to address the issues. "There's so much data available," says Palmer. "Staying on top of it has helped put us in a better position."

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