

# What Data Analytics Can Tell You About Rx Benefits



The explosion of specialty medications to treat chronic conditions has caused Rx prices to rise faster than medical expenses. Costs for life-saving drugs like insulin and EpiPens have also skyrocketed.

Alarmed employers like you are asking hard questions:

- “Why did our medical costs increase more than \$1 million last quarter?”
- “Are we getting a competitive price in the market?”
- “How are other employers addressing these issues?”
- “What are we doing to manage our claims?”
- “What else can we do?”

To answer these questions, you need **integrated data from both your medical and Rx programs** so you can perform deep analyses.

## Prescription Drug Data Insight

To uncover your population’s financial and clinical risk, you need to explore:

- **Price Hikes.** Identify known and new instances where medications have experienced dramatic increases.
- **Specialty Medications.** Identify trends with medical and Rx specialty drugs to evaluate strategies that will most effectively manage your costs.
- **Overdose/Fraud/Abuse.** Identify long-term opioid use among your member to evaluate the social, financial, and clinical burdens that can result in personal and financial harm to all stakeholders.

## Price Hikes

Dramatic price increases with life-saving medications received national attention, including two heart medications, anti-parasitic medicine commonly used in patients with HIV, and severe allergy medications.

Use data to discover how the price increases are impacting your employees and how your costs compare to regional and national benchmarks.

## Specialty Medication

[Healthinsurance.org](https://www.healthinsurance.org) defines specialty medications as:

- High-cost prescription medications costing \$1,000 or more per month
- Medications used to treat complex, chronic conditions like cancer, rheumatoid arthritis, and multiple sclerosis
- Medications that require special handling (like refrigeration during shipping)
- Medications administered by a healthcare professional (such as injection or infusion) in which patients using a drug must often be monitored closely to determine if the therapy is working and to watch for side effects
- Payment for service may be covered through either medical or prescription drug insurance.

To address the impact of specialty drugs on your population, you must first understand their utilization and costs under your plan.

Your data should identify:

- The number of members taking specialty drugs
- Who the performing and billing providers are
- The reasonableness of the price you are paying relative to regional and national benchmarks.

Once you understand the impact, you can deploy effective management strategies.

## Opiod Abuse

According to the Department of Health and Human Services:

- \$55 billion per year is spent on health and social costs related to prescription opioid abuse.
- \$20 billion is spent on emergency department and inpatient care for opioid poisonings each year.

You could identify company and member risk. You can also benchmark your plan performance.

## Insight Only Innovu Can Deliver

Pennsylvania is in the 50th percentile for both per member per month (PMPM) cost and opioid utilization in the US. Using mock client data to perform traditional benchmarking, Innovu found that our sample company's opioid use was fairly average for an employer in Pennsylvania.

However...

## Innovu's Customized Benchmarking

Innovu's proprietary SmartCohort™ analysis compared the sample client's company to 1,000 virtual peer companies that were synthesized to match exactly the size and demographic profile of our client. These virtual peers for the client's young population showed significantly lower PMPM opioid costs than our client's company.

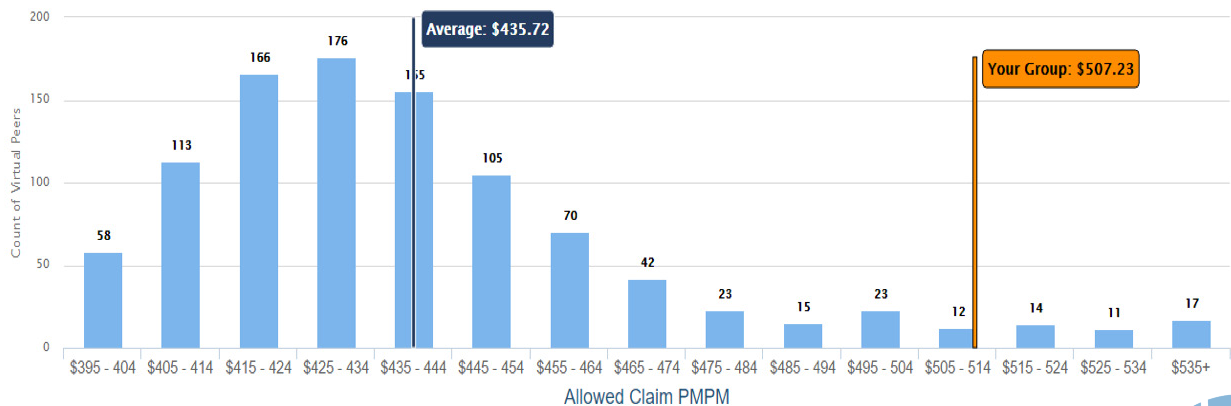
***In other words, our client's opioid use was actually very heavy relative to its demographic profile, contrary to the impression given by the traditional benchmark.***

A deeper dive revealed that our client's opioid pricing was approximately average, but its **utilization was abnormally high** (see Figure 1).

If our client relied only on traditional benchmarking, it would never have detected this problem. Only Innovu's customized benchmarking allowed our client to identify excessive opioid utilization in its covered population.

Armed with this critical insight, a real client would be able to implement interventions to address the overuse of opioids.

Figure 1. Simulation CY 2014: Allowed Claim PMPM for Companies Like Your Company



### About Innovu

Innovu delivers secure, cloud-based data analytic solutions to self-funded and fully insured employers, benefit advisors, and communities (business groups on health and industry associations). By securely integrating benefits and risk data across all programs — medical, Rx, vision, dental, wellness/biometrics, workers' compensation, disability, absenteeism, safety, 401(k), etc. — we create a 360-degree view of their populations. They can use this correlative, never before seen insight to design and measure targeted benefits programs and interventions that improve member health and mitigate business risk.



[www.innovu.com](http://www.innovu.com)