Engaging Healthcare Consumers with Predictive Analytics

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By Peter Saravis

Much has been said recently about the healthcare industry's discovery of predictive analytics and how the intelligent use of this science is helping hospitals target products and services to their constituency and more effectively maximize their marketing dollars. But there is another application of this knowledge, which is worth taking heed of as well.

With increasing frequency Fortune 500 companies are turning to predictive analytics to become smarter in what and how they communicate not just with their consumer audience but with their own workforce. Most directly they are utilizing this science – often in combination with behavioral economics and big data – as a way to optimize employee engagement with health benefit offerings.

For many years employers have known that building a healthier workforce leads to lower health insurance premiums (for both themselves and their employees), a reduction in absenteeism, and an increase in employee satisfaction. The difference is that today "building a healthier workforce" requires going beyond providing health risk assessments, lifestyle coaching, disease management programs and other health-promotion measures. While all of these remain somewhat useful, leading employers are taking it one step further and leveraging the power of predictive analytics to drive meaningful engagement across health, wealth and career decisions.

One illustration of this concept applied to health is a new mother receiving messages reminding her to add her newborn to her health insurance coverage, followed later by reminders about when her baby is due for vaccinations and well-baby visits. Further down the road, she might also receive "nudges" to take advantage of her company's telehealth benefit in case of an urgent need to see a doctor for her baby or fund her Health Savings Account.

This trend of utilizing predictive analytics to communicate employee health benefits is a movement about which all human resources leadership should take notice.

For one, health plan executives need to recognize that technology is allowing consumers to become better and smarter shoppers for health insurance during annual enrollment periods. Amazing analytical tools are now available that process last year's claims and recalculates them to the new year's plan designs and offerings, easily showing individuals the bottom-line dollar amount of predicted out-of-pocket savings for choosing one plan over another.

The potential effect this consumer intelligence has on health plans is significant as plans can no longer assume that members will stick with them just because they experienced "no problems" in the prior year. Regardless consumers will shop when armed with this new knowledge. In fact experience has already shown that many employees switch to the right size plan (and recognize significant savings and satisfaction) when they use this information in their decision-making process. Health plans more than ever must make sure that their product offerings and pricing take nothing for granted.

At the same time hospital executives need to recognize that consumers are being more selective in what healthcare services they use and when they use them. That's because a benefits communication program driven by predictive analytics replaces generic less-effective messaging with hyper-personalized communication that is specific to the health, financial and lifestyle needs of each individual. This communication provides the encouragement employees and their dependents need to take empowered action, such as completing preventive screenings on time or choosing cost-saving, narrow network sites of care or accessing specialized vendors when that is the prudent thing to do. Such engagement reduces wasteful healthcare spending while optimizing health year-round. This is a wake-up call to hospitals to think anew in making sure they are providing the right care in the right setting and for the right price … even if that means outside of the traditional healthcare walls or in conjunction with unconventional partners.

There is another, more personal reason, why healthcare executives should embrace the power of predictive analytics. From renowned academic medical centers to integrated healthcare systems to large health plans, healthcare providers and insurers employ millions nationwide and are major economic engines in many of the communities they serve. As large employers themselves, healthcare companies are not immune to the rising costs of health insurance for their own employees. In fact for many it is one of their largest out-of-pocket expenses. By tapping into the power of predictive analytics for their own workforce, healthcare employers can reap the benefits that some of the most innovative Fortune 500 companies now enjoy.

Smarter healthcare shoppers. More appropriate use of the healthcare system. Employers encouraging increased employee engagement. Consumers taking empowered action. Can there be any doubt that the age of consumerism is upon us and that predictive analytics is driving the change? The only question remaining is whether or not the healthcare industry is ready to respond.

Peter Saravis is co-founder and chief executive officer of Evive Health, the nation's leading personalized health engagement company and a pioneer in the field of predictive analytics.