

Business Analytics

Measuring Health Care Costs – Putting You Back in the Driver's Seat

You know where you want your benefits plan to take you—but how do you get there?

An aging workforce, increases in prescription drug and provider costs, delisting of services covered by government health plans. These and other factors are driving up the costs of employee benefits plans. Organizations today face an ongoing challenge to control plan costs while staying competitive.

What do you need to monitor program outcomes and provide a sense of certainty in the strategic benefits decisions your leaders are faced with? Data-driven information grounded in fact is critical in responding to the current economic environment's influence on your benefits programs.

To meet your evolving needs, Aon Hewitt has formed our national Business Analytics team; a technical and subject matter expert team dedicated to providing intensive analysis of your benefits plan usage (benefits analytics) to improve your strategic decision-making.

Knowledge is Power

You have the data, but what is it telling you? Translating your data into actionable decisions is the goal of the Business Analytics team.

We view this as a four-step process involving:

1. Data

This is the "know nothing" stage—you have numbers but you need to understand the relationships between those numbers and apply them in the proper context. Without an understanding of those two vital elements, the data won't help you get anywhere.

2. Information

You "know what" is going on in your benefits plan but you need to know more. The Business Analytics team will use its proprietary analysis tools to identify patterns, help you to understand cause and effect, and view the information over an appropriate period of time to allow you to reach the next step.

3. Knowledge

You've reached the "know how" stage, the point where you understand the raw data in its true context, showing you the strengths and weaknesses of your benefits plan. You're ready to take the next step, applying the knowledge that Aon Hewitt has shared.

4. Wisdom

This is the "know why" point: you have the data, information and knowledge you need to make better decisions, optimize programs and gain a competitive advantage.

Creating a Road Map

Reaching your goals for your benefits plan involves more than just knowing your final destination. It's critical that you take the time to find answers to the following essential questions:

- Is my program competitive?
- Is my program aligned with our business and HR strategies and objectives?
- How much will my current program cost in the next five years? Is this sustainable?
- Where should I start to introduce change? What will be the cost/savings in the future?
- Is my program operating as intended?
- Am I getting a good deal?
- What else can I do to manage downstream costs?



Aon Hewitt's tools for answering these questions include:

- Benefit Index[®] plan design benchmarking
- Claims audits
- Drug Utilization Review
- Employee risk profiling (identification and segmentation)
- Employee wellness diagnostic analytics
- Health needs and interests analytics
- Plan design change impact models
- Predictive modeling
- Benefit SpecSelect[™] benefit prevalence

These sophisticated, data-driven decision support products help to identify and quantify health cost drivers. Compliance audits, health and drug claim utilization reviews, trend analyses and benchmarking come together to drive plan design recommendations that can positively influence employee and organizational outcomes, and overall costs. These tools will allow us to partner with you to create a "road map" that will highlight potential hazards—and help you to avoid them—while following a path that will help you achieve your goals for your benefits plan.

Reaching Your Destination

Once you have the knowledge, Aon Hewitt's Business Analytics team can help you define a path to reach your goals.

A key element of this process is developing value-based benefits plan designs and providing you with recommendations that produce tangible results, including:



- Reduction in annual benefit cost trend through greater focus on investment of funds
- Innovative cost-control solutions that don't require plan re-design
- Forward-thinking thought leadership that anticipates changes in benefit utilization in time to implement effective program changes
- Improved employee satisfaction by providing you with a historical perspective that facilitates a keen understanding of your plan members' needs
- Maximized health and productivity of employee population through solutions that integrate wellness with plan design (investment approach to healthcare)
- Development of metrics to evaluate program effectiveness and outcomes

With the power of Aon Hewitt's Business Analytics team behind you, you'll be able to gain control of your benefits plan costs. Fueled by knowledge, you'll arrive at the best decision to meet both employee and organizational benefits plan objectives.



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About Aon Hewitt

Aon Hewitt is the global leader in human capital consulting and outsourcing solutions. The company partners with organizations to solve their most complex benefits, talent and related financial challenges, and improve business performance. Aon Hewitt designs, implements, communicates and administers a wide range of human capital, retirement, investment management, health care, compensation and talent management strategies. With more than 29,000 professionals in 90 countries, Aon Hewitt makes the world a better place to work for clients and their employees.

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