



Neal Patterson
Chairman and CEO

The Value of Data

Cerner Corporation

Health America

Company Overview

Type of industry: Health care

Number of employees: 7,400

Program Components

- Strategic focus on giving people more choices, convenience, and control over their care
- Health model focused on the whole person
- *Health Clinic* on-campus clinic featuring innovative approaches to improving health care
- Integrated financial and health-plan card

Program Highlights

- Clinic has a generic prescription drug usage rate of 63%, about 10% higher than many retail pharmacies
- More than 70% participation among U.S. associates in Health Reimbursement Accounts (HRAs). Will add Health Savings Accounts (HSAs) in 2007
- *Health Mid-America*—the nation's first employer-driven personal health bank. Providers can use aggregated medical records, lab results, and pharmaceutical information to make better informed care decisions

CEO Statement

“Employers must proactively engage with health care providers to improve the system. In Kansas City, 20 major employers formed an employer-sponsored network dedicated to providing a secure, portable, personal health record to each of our employees and their family members. We expect to substantially eliminate medical errors and waste from redundant medical testing.”

“You can’t manage what you can’t measure,” says Ron Z. Goetzel, PhD, Director, Institute for Health and Productivity Studies, Cornell University Institute for Policy Research, and Vice President, Consulting and Applied Research, Medstat, Washington, DC. Goetzel notes that by using a good data management system, an employer can:⁵¹

- Truly **understand the total indirect and direct costs** of poor health to the organization.
- Effectively **identify and manage high-risk/high-cost conditions** while proactively keeping low-risk workers at low risk.
- **Measure program results against benchmarks** to evaluate the impact on health and productivity.

Integrated Data Management

Many large organizations are moving toward integrated data management systems. The most basic of these systems rely on analytical software to link a series of separate, health-related databases in order to establish meaningful correlations.

For example, the medical cost data for an employee with diabetes may appear in one database, while absenteeism records and pharmaceutical expenses are kept in separate databases. Integrating the data creates a more realistic analysis of the cost of diabetes than would be found by viewing each one separately.

Data integration can provide answers to questions such as:

- Does chronic disease contribute to the number of sick days?
- How does treatment noncompliance affect absenteeism?
- What is the total cost experience of employees on disability compared to those not on disability?

Although integrated data is ideal, it is not a prerequisite for understanding an organization’s cost burden. Major health- and productivity-related loss areas still can be targeted effectively. For example, a company’s health plan can provide the average annual claims costs per employee that can be compared (benchmarked) to those of other employers.

“Employers must proactively engage with health care providers to make fundamental improvements to the system.”