

Retail Healthcare Gets Personal: Strengthen your Business with a Patient-Centric Approach



RETAIL HEALTHCARE SOLUTION BRIEF

Your Business Challenge

Rapidly and accurately connecting *the right information with the right person at the right time* is a strategic advantage in today's healthcare marketplace, where superior health and wellness outcomes drive consumer and patient engagement. The key to this strategic advantage is a business-driven, analytics-rich ecosystem for patient-centric care and consumer-centric service.

Forward-thinking industry leaders use both historic and predictive analytics to fuel real-time decision making and engagement. Guiding their way are Teradata retail healthcare Business Analytics Consultants, providing senior level experience and skill-sets to drive value and maximize return on analytics investments.

The Teradata Difference

Technology is not enough. A sentient enterprise, one where employees, stakeholders, and business partners collaborate through a network with speed and confidence, needs industry knowledge to drive business value. Teradata combines healthcare industry knowledge with our best-in-class consulting, as well as analytic and BI solutions, to create value for you.

Our consultants don't waste your time learning your industry—they've been there. They bring years of industry knowledge and management experience, capitalizing on successful leadership roles for Fortune 100 companies. Complemented by data science consultants with deep experience in predictive analytics, optimization, and machine-learning, the team brings time-tested tools and understanding of how to apply—not just useful, but also usable—analytics to drive business.

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Business Analytics Consultants work with your teams using a multitude of Teradata methods, such as:

- **Business Value Assessments** to quickly rank business activities by analytics-ROI to build a business-driven Analytic Capability Roadmap.
- **Business Improvement Opportunity workshops** to rapidly identify business use cases and metrics specific to your needs, in order to compete effectively.
- **Rapid Insights** to swiftly prototype new analytics capabilities built from key data and business resources in as few as 4-6 weeks.

Retail healthcare undergoes dramatic changes. The evolution is everywhere. Key drivers include:

- An aging population and rising healthcare costs.
- National regulatory and reimbursement changes.
- Global initiatives to improve supply chain control and costs.
- Explosive growth of digital health controlled by the patient.
- Increased use of analytics and business intelligence (BI) in decisions.

New channels of communication and services are emerging, with retail healthcare stakeholders seeking better information about:

- Preferred products, services, and channels.
- Best practices that improve services and outcomes.
- Improved business operations that reduce inefficiencies.

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Teradata Business Analytics Consulting Service Turns Business Challenges into New Opportunities

Medication Adherence Enhancement

Challenge: Experts say one-third to one-half of patients never fill their prescription, take it incorrectly, or stop taking it prematurely, wasting \$300B annually in health-care costs.

Solution: Operationalize analytics using key factors like drug combinations, medical conditions, and insurance status to predict non-adherence. Develop a patient-centric engagement strategy to achieve desired outcomes.

Benefit: Greater Value to Payors, Reduced Costs, Loyalty Gain, More Revenues. *An analytics-supported 20 percent improvement could drive \$18.0B untapped revenues back into the marketplace or \$276K per store.*

Supply Performance Management

Challenge: Drug product carrying costs, especially in specialty drugs, are extremely high. Over-ordering with limited shelf-life creates waste. Inaccurate demand prediction creates out-of-stocks, thus hindering adherence and encouraging overstocks.

Solution: Move beyond intuitive decision making. More accurately forecast refills by factoring in consumer-specific demographics, demand, marketing, geographic, and seasonal data.

Benefit: Leaner Inventory, Reduced OOS, Improved Margins. *Decreased inventory carrying costs of 10 percent could achieve industry savings of \$24.3B—more than \$300K per store.*

Payor Performance Management

Challenge: Losses due to imperfect claims management (formulary changes, contract non-compliance, or collections timing) significantly impacts actual revenues.

Solution: Analyze integrated pharmacy claims, contracts, and formularies for more accurate payments and improved contract negotiations.

Benefit: Improved Collections, Better Margin, More Favorable Contracts. *Reducing claim uncollectibles by 10 percent could drive \$1.2B back to pharmacies—\$18.6K per store.*

Fraud, Waste and Abuse (FWA) Forecasting

Challenge: OIG¹ found questionable pharmacy claims of \$5.6B. Undetected billing and practice deficiencies cause large fines; penalties can be severe to a reputation as well.

Solution: Analytically discover practice or pricing inefficiencies, dispensing errors, or inconsistencies between orders and actual stock.

Benefit: Reduced Risk, Improved Margin. *Reducing FWA by 10 percent could save \$560M (\$9K per store) reduce reputational risk and avoid CMS² bans.*

Drug Diversion Forecasting

Challenge: Annual societal cost for opioid abuse is \$56B. CDC³ classifies prescription abuse as an epidemic. Pharmacies pay large fines and lose licenses.

Solution: Analytically detect abuse, help patients, eliminate inappropriate prescribing and dispensing, and reduce shrinkage.

Benefit: Reduced Risk, Improved Margin, Improved Patient Care. *Reducing drug diversion by 5 percent could save \$2.8B or \$43K per store, plus avoid license loss and brand tarnishing.*

Connected Customer Enhancement

Challenge: New data sources (mobile, social) flood businesses with data, leading to information overload, misuse, or even nonuse.

Solution: Connect with consumers with real-time discovery to provide desired services.

Benefit: Tailored Service, Greater Loyalty, Improved Revenues. *“New tools are tilting health-care control from doctors to patients.”⁴ Synergized and personalized interactions will become tomorrow’s market leaders.*

Endnotes

1. Office of the Inspector General, <http://oig.hhs.gov/oei/reports/oei-02-09-00600.pdf>
2. The Centers for Medicare and Medicaid Services
3. Centers for Disease Control and Prevention, <http://www.cdc.gov/washington/testimony/2014/t20140429.htm>
4. “The Future of Medicine Is in Your Smartphone: New Tools are Tilting Health-Care Control from Doctors to Patients” essay in The Wall Street Journal, Jan 9, 2015. <http://on.wsj.com/1yKZnhi>

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