

The Essential Keys to Holding Benefit Vendors Accountable

A data-driven approach
to vendor performance
management

+ Abett



You've recently implemented several new point solutions to improve member health and their experience.

You might be wondering:
“What's next and how do I know that the money spent is beneficial?”

Accountability starts with a comprehensive approach to quantify vendor performance, ensuring you measure their impact effectively.

This begins by collecting all the relevant data at your disposal, even data that has historically been challenging to obtain.

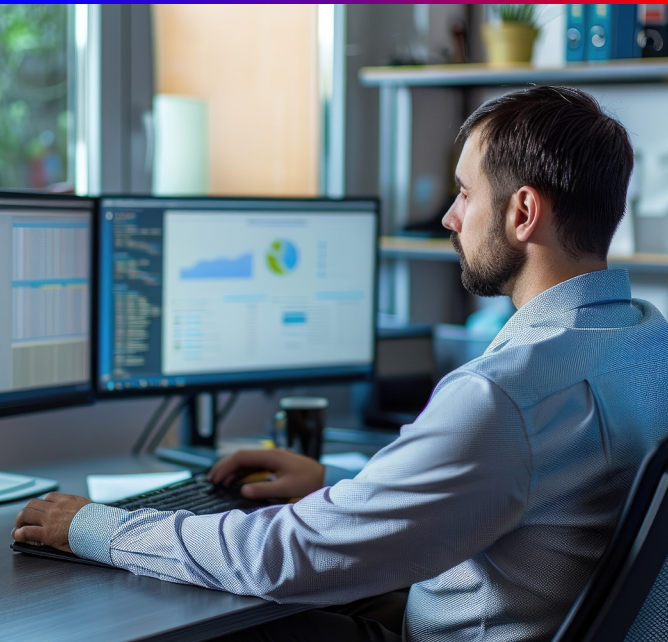
Why data drives vendor accountability

Many vendor solutions predict high engagement. However, engagement is often defined as mailing a brochure or a click on a web page. This narrow view falls short of measuring true performance. Improvement in outcomes, member experience, and health are critical to justify the expense of new vendors.

Impact of Poor Vendor Performance

Your employee benefits budget is limited. Every dollar counts. As healthcare costs accelerate, the ramifications of poor vendor performance are magnified. Vendors that do not prove measurable improvements in health and cost savings waste time and resources and derail your benefits strategy.

Poor vendor performance not only affects your budget but also negatively impacts the experience and health of your employees and their families. Simply put, poor performance should not be tolerated.



Key success factors for measuring impact

Answer outcomes-driven questions about specific benefits program. Did we realize the outcomes we expected, and were performance guarantees met?

① Find and Access the Right Data

Identify what data you need and where to find it. Determine what data is most meaningful and whether you can access it. If a vendor refuses to provide you with the data, or tries to charge additional fees for the data, that is a red flag. As a plan sponsor, this is your data.

② Create Consistent Reporting

Evaluate whether the vendor reporting measures performance within the specific population engaged with the program. Reporting should also confirm if performance guarantees are met and assess for positive trends in outcomes, adoption, and impact.

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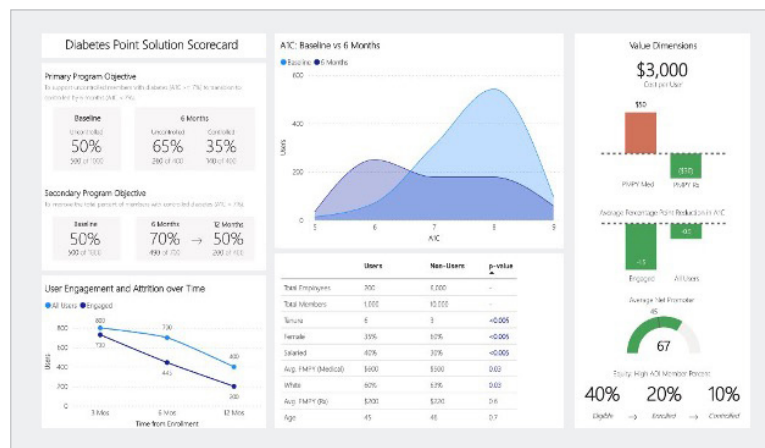
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3 Cross-Validate Vendor Data

Validate whether your data from your vendor is consistent with other data sources, including data from your carriers, pharmacy benefits manager, or other related programs. If the data is inconsistent with other sources, then a more critical review is needed. It's not always easy to validate vendor data. Inconsistencies should raise red flags and prompt firm conversations with your vendor.

4 Take a Holistic Approach

Incorporating data from medical and prescription claims, leave and disability claims, absence management, and worker's compensation gives you a more realistic view of program impact. This comprehensive view ensures you have a full picture of program success, and the health of your population.



Lockbox empowers you to see a holistic view of all your vendor data.

3 steps to achieve vendor accountability

Contract Negotiations

Measuring performance starts during contract negotiation before services begin. This phase offers the most leverage to outline performance criteria and how program success is measured. Written performance guarantees give you the structure to determine whether your vendor is delivering value. If there are no performance guarantees, it's time to renegotiate your contract.

Define KPIs

Discuss and agree on the key performance indicators (KPIs) that you want to measure. KPIs answer the what, when, and how of program measurement. They should be specific and aligned to program success metrics.

Ongoing Review

Critically review vendor performance after the program is launched. Establish minimum quarterly reporting to assess adherence to KPIs. If there are gaps, create a remediation plan with clear criteria for success.

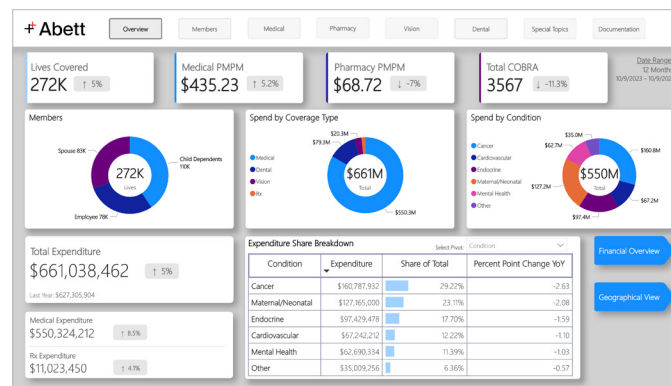


Unlock vendor performance with Lockbox

Lockbox™ is an invaluable data management platform for measuring vendor performance. For instance, you implemented a diabetes disease management solution, and you want to validate outcomes. There are no performance guarantees, and vendor reporting is inconsistent with data from other sources. What do you do?

Start by comparing your disease management vendor data against your health plan data. The Lockbox helps you accurately compare multi-sources of data and quickly validate outcomes.

Lockbox stores data from every vendor in your benefits ecosystem, offering near real-time access to claims data, leave and disability information, and absence data from your HRIS system. Armed with this data, you can confidently engage in honest, data-driven conversations with your vendors.



Dashboards with customizable views and interactive insights

Unlock vendor performance with Lockbox

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Abett's Health Economics and Outcomes Research (HEOR) team partners with benefits leadership to conduct comprehensive data analyses across multiple vendor data streams to measure the health of your population and vendor performance. Using customized dashboards you can identify opportunities for program interventions.

Data-driven Insights in Action

One Abett Fortune 100 client uses Lockbox as a source of truth for the administration of their wellbeing incentive program. The client's Lockbox aggregates data from dozens of vendors measuring participation of hundreds of separate activities for both employees and their eligible dependents. It sends these files to the wellbeing program administrator for the distribution of incentives. The client receives regular reporting that summarizes wellbeing incentive program participation. As the ultimate source of truth, our reporting has enabled our client to hold their wellbeing program administrator accountable for accurate program performance and deliver incentive programs to their employees in a timely fashion.

Conclusion

Data-driven vendor accountability isn't just a strategy—it's a necessity for any forward-thinking organization. By using data effectively and taking a comprehensive view of vendor impact, you can ensure your vendors deliver tangible value, helping both your bottom line and the health of your employees.

It's time to act. Implement data-driven vendor accountability in your organization to ensure your benefits strategy is delivering better outcomes, experiences and lower costs.

Contact us to learn more or request a demonstration at [abett.com](https://www.abett.com)

