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Breaking down barriers to build a culture of analytics

Overcoming key challenges

Analytics must be a central part of a modern Medicaid and HHS enterprise. Providing quality health care to larger — and often less healthy and higher risk — groups of people is costly and puts added strain on a state's health care system. Inefficiencies within the system increase the cost of care, and these costs often are passed on in the form of higher premiums and added expenses for program payers, and ultimately, taxpayers.

As Medicaid and HHS agencies try to deliver as much efficiency and quality from their programs as possible, leveraging analytic services is a clear way to achieve this goal in a shorter period of time. But organizations first must be prepared for these challenges as part of their analytics transformation.

Budgets and funding

Developing analytic capabilities can be time-intensive and expensive, depending on several variables:

- Amount of data to be integrated
- Amount of external data to be purchased
- Age and compatibility of existing systems
- Type of output (e.g., reports, dashboards, predictive models) and analytics tools desired

- Availability of data analytics expertise (data scientist, data architect, statistician, etc.)
- Ongoing staff training
- Desired performance/responsiveness
- Frequency of data refresh
- Data integration, data sharing and data governance

However, significant federal resources are available for state analytic initiatives. In addition to the 90 percent financial match from CMS, other federal agencies encourage technology modernization with additional funding. The Administration for Children and Families (ACF) and the Food and Nutrition Service (FNS) extended the Circular A-87 Exception — the cost allocation waiver for developing shared eligibility and enrollment systems — through 2018. This means states no longer must allocate the costs for integrated systems across multiple departments — a barrier for some programs — to be eligible for federal matching funds. States, especially those at a Level 1 or 2, must take advantage of this ripe funding environment to develop their analytic maturity.

Data management and governance

Analytic insights are only as good as the raw data from which they emerge, and the statistical method and analysis that is applied. Data management and governance techniques help ensure the quality, accuracy, consistency, availability and security of data.

Data governance is an essential business process that requires a thoughtfully developed framework for interacting with data to guarantee confidentiality, quality and integrity — and to meet requirements for financial reporting, security, privacy and regulatory compliance. A data governance framework must apply appropriate oversight without creating a bureaucracy that turns the analytical process into a daunting and complex challenge.

To comply with state and federal privacy and security mandates, states must have a governance structure that guides the integrity and security of Medicaid and HHS data. A governing body or committee can help define priorities, procedures and plans to ensure data is collected, managed and used appropriately.

Data management is more of a technology and operations issue. When integrating data from a variety of sources, acquisition, ingestion, cleansing, enriching and provisioning the data are critical.

Based on the agency's governance structure, each data set must have the proper security controls to manage user access rights and meet federal and state privacy mandates.

Workforce expertise and talent

Technology and data alone will never provide the analytics an agency needs to achieve its objectives. The human component of analytic services is critical to achieving an agency's short- and long-term capabilities. The best data analysts and scientists have training and experience in multiple areas, including statistics, computer science and machine learning. Many organizations, including CMS, have chief data officers to coordinate and oversee data collection, dissemination and sharing efforts, as well as to develop frameworks for using data to improve health care.

Agencies can restructure their organizations in the same way to develop an analytically mature culture. The maturity model outlines the steps for building this capacity. It may begin with hiring data analysts or data program scientists, or retraining existing technical staff on tools that more closely align with business needs. In some cases, an agency may leverage a partner that provides the technology platform and works hand-in-hand with them on organizational transformation.

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To learn more about breaking down analytics barriers in Medicaid and HHS agencies, contact us at **1-800-765-6073** or **innovate@optum.com.**

Building A Culture of Analytics for HHS Programs: A Handbook for State Executives & Administrators by Governing Institute & Optum

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