Navigating complexity with certainty

Empower payer teams to build proactive strategies and stakeholder alignment with trusted evidence

Wolters Kluwer

The complex challenges of a shifting landscape

The pace of change in healthcare since the start of the 2020s – and the end of the pandemic – has been unrelenting and has challenged the entire industry to adapt to new priorities and best practices. Payers have been no exception:

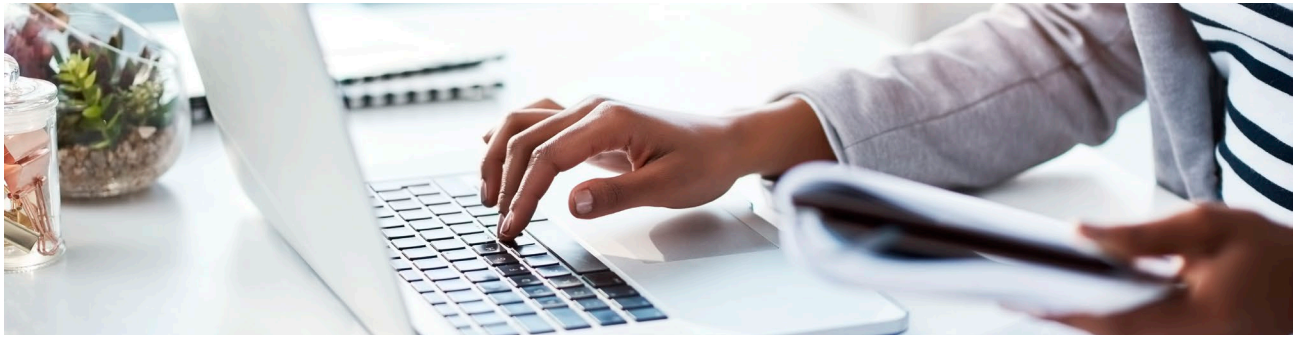
- Across U.S. healthcare, consumer experience, trust, and affordability concerns are having a significant impact on service delivery,[1] increasing pressure on payers from members and providers.
- An era of public policy uncertainty and evolving regulations makes it challenging for insurers to maintain consistent strategies for managing compliance and costs.[2]
- Medication-related pressures – from complex decision-making surrounding specialty drugs to the constant uncertainty posed by drug shortages – contribute to management inefficiencies.

All of this affects margins. According to data from the National Association of Insurance Commissioners, **payer profit margins fell to 1.9%** in the third quarter of 2024, a significant dip from pandemic-era highs.[3] But estimates forecasting beyond 2025 see utilization and administrative improvements, pricing optimization, and changes in payer mix heralding an economic rebound,[4] albeit a potentially variable or rocky one.

As payers navigate these complexities and position themselves for the future, a foundation of aligned data and evidence-based strategies can be essential for tackling current challenges[5], such as:

- Addressing processes and member needs around increasingly complex and /or sophisticated therapies and medications.
- Managing operational inefficiencies caused by siloed teams.
- Balancing cost, compliance, and quality care.

Transparency and trust begin with evidence and data



Payers must deal with a variety of types of data beyond their analysis for policies, explains Allison Combs, Head of Payer Product, Wolters Kluwer Health. Process-oriented data can include evidence-based research, guidelines, and clinical best practices as well as financial and operational data such as pricing and claims. “It takes time to bring in the data, figure out the structure of the data, and how to govern the data and best align that with clinical expertise,” she says.

Payer and payvider executives note that quality, usable data resources must be:

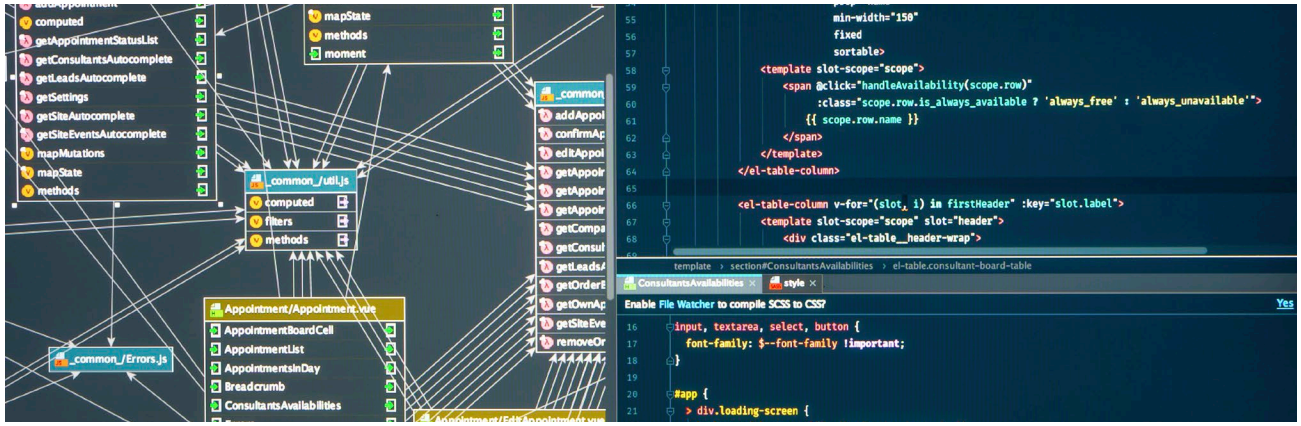
- Thorough enough to comply with local, state, and federal regulations and adaptable for when those regulations change.
- Flexibly structured to “slice and dice” however required by various users and use cases.
- Reliably sourced, precise, and available in a timely manner.
- Able to be easily shared via information exchange.

Combs refers to this as “no regrets” data choices that allow for incremental moves and constant adaptation as the market evolves.

“I think the way we are trying to brace for the uncertainty in the marketplace right now is by making our data as flexible to consume as possible for our different policy-making entities within the payer system as well as [for] every other decision-making entity that drives a payer’s business,” says one health plan CIO.

“Understanding current data challenges within payer and pharmacy benefit manager (PBM) organizations is key to addressing them and building successful strategies,” says Combs. “Many are working to have the right data infrastructure fully in place to address how best to integrate and leverage medical and pharmacy data, as well as new or more granular data like those around indications or emerging therapies.”

Data quality directly impacts operational cost reduction in healthcare. According to Gartner, poor data quality costs organizations an average of **$12.9 million annually**.[6]



Removing silos to improve results

One payer challenge is the siloed nature of drug and medical benefits teams and the respective separation of their data. Misaligned medical and drug benefits not only delay care but also increase administrative costs and payer-provider friction.

Medical and drug benefits used to be more clean-cut, resulting in those siloed teams as well as distinct coding structures and benefit designs. The system was built that way to accommodate clear delineations between prescription medication and medical treatments.

However, over time, drug therapies have rapidly evolved — in both scale and complexity — requiring these models to transform and interrelate. Specialty drugs like biologics and biosimilars, as well as popular GLP-1 products, have blurred the lines between medical and drug benefits, especially when products can be self-administered.

Additionally, different coding models and structures have complicated information-sharing between teams.[7] Pharmacy benefit teams and their systems operate with National Drug Codes (NDC), and medical benefit teams operate in condition code sets like ICD-10 for diagnoses, HCPCS for non-physician services, and CPT for medical procedures.

Alignment is at the heart of modern data management strategies, influencing payers and providers to break down silos between medical and drug benefits. By aligning data sources and inputs, healthcare organizations can access a more holistic view of member health and more complete health history data, driving better care outcomes and achieving better cost efficiency in healthcare. When payer teams leverage consistent, evidence-based frameworks, they improve the ability to address complex issues such as chronic disease management, specialty medications, and at-home infusions.

Key benefits of aligning clinical content and data sources across a payer organization include:

Operational cost reduction:
Unified data systems help reduce discrepancies in medical and pharmacy decisions.

Improved member satisfaction:
Alignment supports timely and more consistent approvals, minimizing delays in treatment and requiring less work on the part of members to access covered care.

Fewer appeals:
Evidence-based frameworks streamline coverage decisions, reducing incorrect claim denials or appeals and creating less administrative burden for payer staff and the providers, too.

Combs adds that evidence-based frameworks can be essential for integrating new therapies like emerging immunotherapies or vaccines into coverage decisions. "A lot of these therapies have new attributes or new elements that you have to compare" to existing therapy options, she says. "So not only are you depending on your evidence-based sources to inform those decisions, but also in codifying that information appropriately to fuel those PBM and payer systems and all the downstream information-sharing."

Understanding emerging therapies is particularly difficult with conflicting data sources putting payer teams and their partner entities at odds, Combs continues. "Everybody wants the patient or the member to get the right treatment at the right time with the right discussion around the risks and benefits of those therapies. Everyone is trying to work together on these therapies because they are so expensive and/or have higher benefits and higher risk. But it's hard when the system is trying to work together to create those member interventions and supports, and you don't have all the same information. You don't want to be miscommunicating or causing confusion for the member – who's getting guidance one way from one entity and another way from a different entity. A lot of these systems are feeding critical decisioning, and there are ramifications to getting the data wrong. If the data is not aligned and not interoperable, it's going to be hard to make sure the people on the front lines have all the information that they need to make appropriate decisions."

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Head of Payer Product,
Wolters Kluwer Health

Payer data challenge: Drug shortages

Drug shortages have been a hurdle in healthcare for many decades, but perhaps the most challenging aspect for those working in pharmacy-related fields is that “you never know which drug is actually going to be on shortage until it’s on shortage,” says Staci A. Hermann, PharmD, Vice President, Embedded Clinical Decision Support Content at Wolters Kluwer, Health.

In the modern healthcare ecosystem, Hermann explains, drug shortages have occurred when a hurricane has hit near a pharmaceutical production facility or tariffs have impacted supply chain for a key drug manufacturing ingredient. Whereas payers can sometimes plan and set up their formularies to provide various options in the event of reasonable or foreseeable shortages, when there is a sudden and total loss of availability of an agent, it can prove overwhelmingly difficult to manage.

“We have set up an infrastructure here in the U.S. around healthcare information exchanges” to help communicate the most current information about drug product availability, substitutions, and patient needs, Hermann says. However, from a data perspective, she notes that information exchange has to be designed to withstand the possibility of standards changes with each new federal administration and to support patients who may receive treatment in multiple states.

Building a foundation for future-forward strategies

Payers can thrive even when market trends are unpredictable. By providing their teams with real-time data that aligns disparate electronic systems, health plans help reduce friction and support downstream benefits, including:

- More **consistency with providers**, streamlining communications and improving efficiency,
- **Better alignment** between drug and medical benefit teams to enhance workflow and positively impact ROI.
- Improved **member experience** through mass personalization of health content and member outreach.

Payer-provider relationships

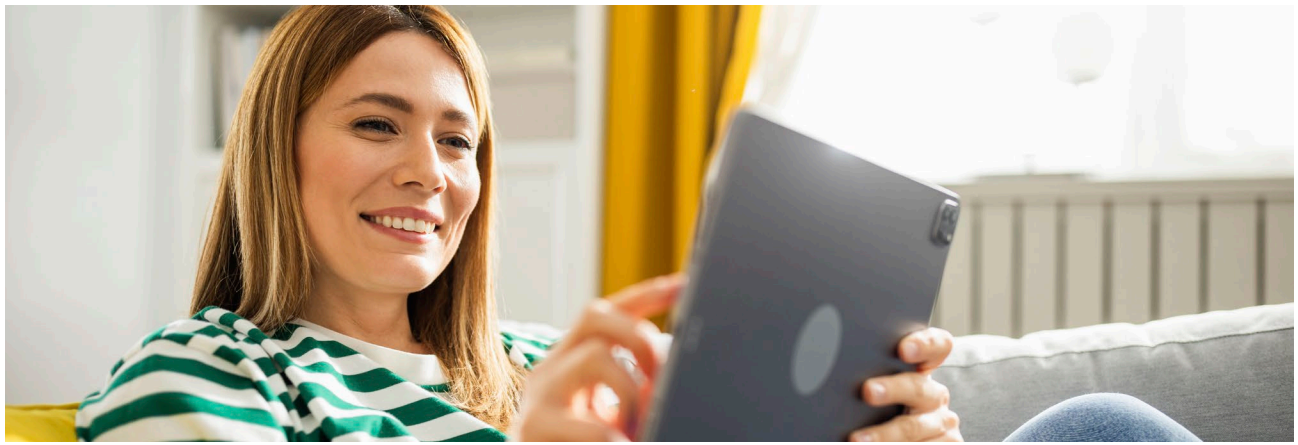
Fostering trust and transparency between payers and providers should be an overarching goal for payer leadership seeking to lessen abrasion. Teams setting policy, outlining benefits, and evaluating claims need access to the same consistent evidence-based content that clinicians know and trust. With medical knowledge doubling every 73 days[8] and new FDA drug approvals hitting all-time highs[9], payer teams need confidence that the choices they make ultimately won't impede provider decision-making or the member experience.

Internal team alignment and ROI

Payers already understand the value of drug data and clinical evidence integrated in workflow, but many may not fully leverage that data as a tool to help manage cost.

"Mapping is really important," Combs points out. With treatments crossing "both the pharmacy and the medical side, coding sets are different. This does not need to inhibit an organization, however, if payers have the analytical diligence to do that crosswalk… which can facilitate understanding trends and bringing down costs."

Healthcare organizations that invest in data consistently report seeing an ROI,[10] meaning that this strategy for payers is not just valuable in supporting provider networks and relationships but could return dividends for the organization.



Member experience

A personalized member experience requires coordination between providers and payers. When care management teams are using the same data as providers, members are more likely to receive consistent messaging around therapies, treatment plans, wellness, and overall care. This coordination contributes to more consistent outcomes, increased care plan adherence, and improved results for all stakeholders.

Additionally, Combs points out, data can be used to discover and target key member groups in need of intervention and improve population health. She cites an example of a health plan that launched a strategic initiative to improve maternal care for their members and was at first pleased to see results in their data that evidence-based medicine protocols were being appropriately observed. However, as they began to really dig into different views of their data, they found a geographic cluster with notably higher rates of infant mortality and post-birth complications. The payer teams followed up with providers and care teams, and while all outreach programs were in place, Combs says the payer eventually had to go out and interview community members to uncover a regionally held belief that expectant and new mothers shouldn't leave the house for a certain period of time surrounding an infant's birth. In short, members were skipping vital pre- and postnatal appointments recommended by evidence-based medicine practices despite receiving all the appropriate reminders.

"They needed the data to find the problem, but they needed to go beyond the data to solve it."

Allison Combs,
Head of Payer Product,
Wolters Kluwer Health

To set a solid vision and direction, Combs says having the right vendors is critical. “You need really solid vendors who are providing the most current, most timely evidence, so that you can incorporate it into your systems” and use it as that consistent source of evidence to unify stakeholders and teams.

“A lot of payers are proactively assessing and structuring their internal data stores,” Combs continues. “That said, different payers have different levels of resources. So, I think it’s always really important, regardless of where you are in that journey, to have thought through and understand what data you do have, where your known gaps are, and what you think you might need. It’s also really important to understand how your organization has responded to evolution in the past – what did you, as an organization, put in place from a data perspective to compensate for whatever the challenge was at that time?”

Evaluating those questions will help payers continue to build their data governance and infrastructure, Combs says, offering a clearer strategic view of what types of additional vendors will help an organization pursue its next steps in data development.

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Questions to ask when assessing your data

- What types of data do we already have?
- Where are our known gaps?
- What data do we think we need right now?
- How have we responded to data evolution in the past?

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Precision decision support: Tools for a resilient future

To be efficient, effective, and able to scale member care decisions across an increasingly complex landscape, payers need evidence-based content that can adapt to their workflows and align data exchange internally across different teams as well as externally across various stakeholders. That requires tools and solutions backed by a vendor payers and PBMs know they can trust to understand their needs today and evolve with them to be prepared for the challenges of tomorrow.

Medi-Span® drug data and UpToDate® clinical decision support from Wolters Kluwer provide access to the industry's leading evidence-based resources to inform coverage decisions, support member care, and streamline operations. They are designed to work together, enabling payers to:

- Align teams and validate decision-making with a unified source of truth.
- Make evidence-backed decisions that reduce friction with providers.
- Scale efficiency without compromising quality or member satisfaction.

UpToDate clinical decision support is trusted by more than **3 million users worldwide**, and its expert, evidence-based content is accessed more than 60 million times a month to support or confirm clinical decisions. For payers and PBMs, using UpToDate helps create alignment with the many providers and provider organizations that rely on its content daily.

Health plans have trusted Medi-Span drug data for over 50 years to help manage claims adjudication, formularies and coverage tiers, prescription reviews, and population health analytics. It is the preferred solution for **17 out of the 20 top-grossing PBMs and 95% of the 20 top health plans**.

With foundational drug identifiers and attributes such as the Generic Product Identifier (GPI), evidence-based clinical screening data, valuable government and regulatory information, drug pricing data, and more, Medi-Span content and therapeutic classification system can help health plans streamline operations, ease staff burdens, analyze claims and population health data, pursue benchmarks, and enhance member safety.

Data analysts often use crosswalks and the proprietary Medi-Span GPI to translate back and forth between medical conditions and code databases and then back into NDC codes. The Medi-Span interoperability suite is valuable in aligning organizations and improving information exchange.

Drug data can be accessed by so many different healthcare stakeholders that process or make decisions surrounding a single prescription, making data integrity paramount, explains Hermann. “What do you do when they’re not in alignment? There are downstream implications to that.”

Medi-Span data – used consistently in clinical and commercial healthcare spaces – helps maintain that alignment, Hermann says. But also because of its “agnostic” integrity, the data in Medi-Span follows evidence rather than policy, so it remains consistent for payers regardless of regulation changes, various indications for use, or state-to-state disparities, supporting any coverage needs without bias.

“I think that data integrity is key to serving our customers’ needs and any type of needs that arise related to forecasting or predicting how therapies are used.”

Staci A. Hermann, PharmD, Vice President,
Embedded Clinical Decision Support Content,
Wolters Kluwer Health

Taking the first step into smart future strategies

Discover how high-quality data can help payers drive efficiency, improve outcomes, and foster alignment to navigate the complexities of today's healthcare landscape.

Contact us →

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