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Demystifying Data to Support Your Business Goals:

The Foundations of Healthcare Data

Eric Talbot, Chief Strategy Officer, MedFuse | August 10, 2022

Eric Talbot is a strategic marketer and analytics expert with 20+ years of healthcare Business experience. In his role at MedFuse Eric is reasonability for helping develop the next generation of solutions to help business leverage real-world claims data to deliver actional insights to improve commercial success.

Eric draws upon a diversity of roles from both the client and provider side ranging leading strategy and insights teams at PatientPoint and Univision Communications to years of healthcare data and analytics consulting from the likes of AdvantageMS (Veeva), Verispan and IMS Health (IQVIA).

Eric has been a frequent speaker and presenter at various events and conferences, including Google's Hispanic Marketing Forum; Multicultural Health National, Pharmaceutical Management Science Association Annual Meeting, and DTC National.

Eric holds a Master of Business Administration, Master in Marketing, Post-Graduate Diploma and Post-Graduate Certificate from the Macquarie Graduate School of Management in Sydney, Australia.

Eric Talbot, Chief Strategy Officer at MedFuse

Real World Data for Real Solutions

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Data Gathering vs. Sourcing the BEST Data

83% of businesses rely on data as an integral part of creating a business strategy.*

By 2025, the amount of data produced will be **10x** the amount produced in 2017.*

With so much data, we easily get **LOST**.

We may get distracted with metrics which don't match our end goals.

Focusing on the wrong data creates misinformed decisions, negatively impacting business.

Source: https://blog.seagate.com/business/enormous-growth-in-data-is-coming-how-to-prepare-for-it-and-prosper-from-it/

Applying the Process of Principle Reasoning

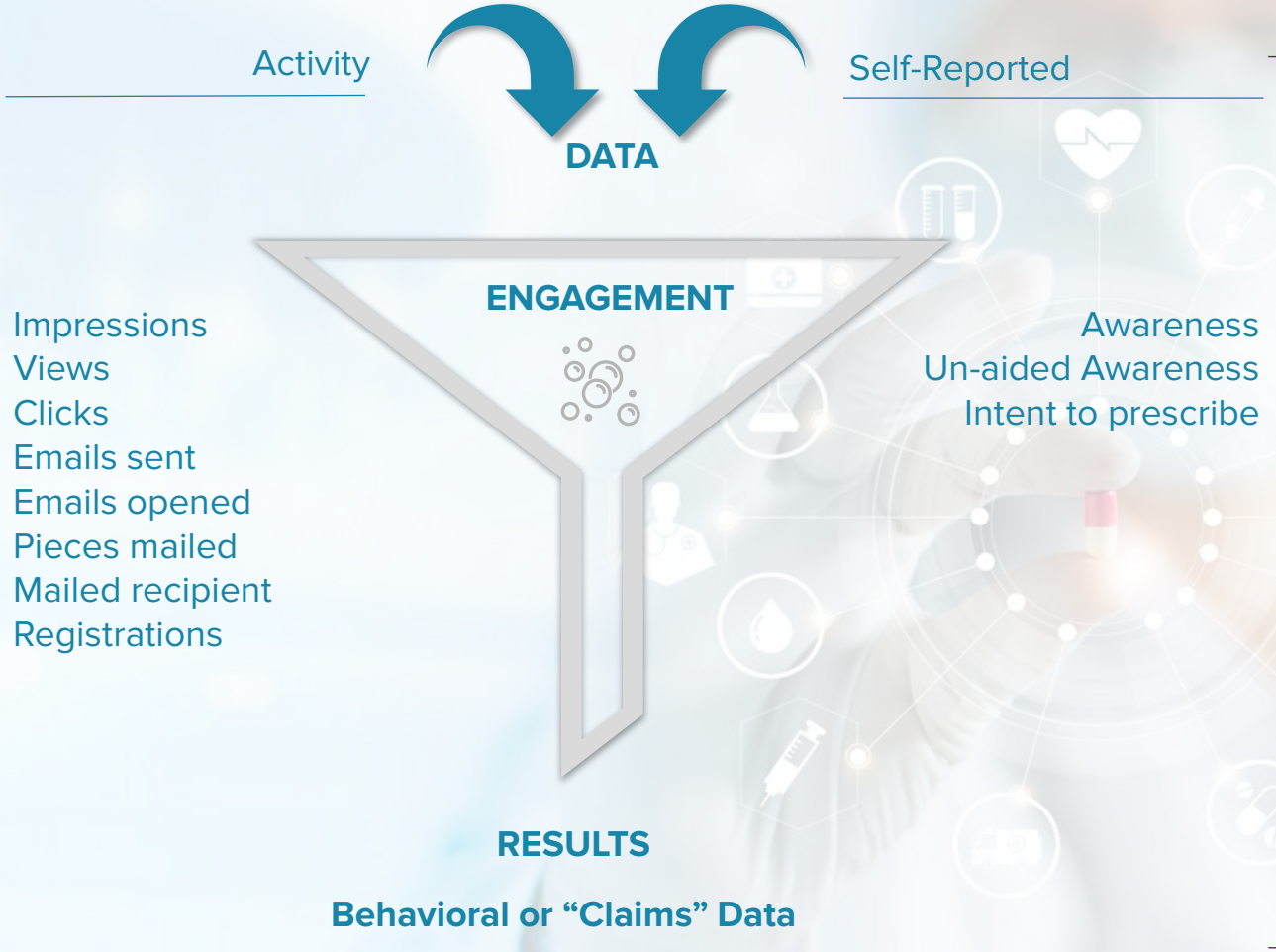
FIRST

We break down a complex problem
Identify its basic elements
Reassemble from scratch.

THEN

We can identify precise metrics
Align to our KPIs
Focus on those goals.

Applying Data Appropriately to Meet Your Goals



How to Apply Funnel Metrics:

- ✓ **Determine** what data and metrics exists and where to source them
- ✓ **Understand** what insights the data and metrics can support and cannot support
- ✓ **Know** the source of the metrics and their strengths and weaknesses/basis

"Top-of-Funnel" metrics generally track potential exposure/engagements

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Before We Start, Know Your Terminology

National Provider Identifier (NPI) The NPI is a unique identification number for covered health care providers from HIPAA

Claim: Refers to an invoicing for a service or product

- **Claim Count**: A count of claim IDs. Every claim has a patient, but patients can have multiple claims.
- **Patient Count**: Is the count of patient IDs. It is important to know if these are distinct patient counts or total patient count

ICD10: World Health Organization (WHO) International Classification of Diseases

CPT code: Current Procedural Terminology (CPT) codes, identify medical procedures that identifies what type of care was provided.

USC: U.S. classification of drug based on their mechanism of action and therapy area

NDC: The National Drug Code (NDC) is the number which identifies a drug

J Code: Codes are used by Medicare and other managed care organizations to identify injectable drugs that ordinarily cannot be self-administered

HCPCS (Healthcare Common Procedure Coding System): Standardized codes that represent medical procedures, supplies, products and services. The codes are used to process health insurance claims by Medicare and other insurers.

There are Three Primary Healthcare Data Types

Direct Distribution Data (DDD)*

Tracks movement of products from manufacturer/wholesaler to pharmacy, hospital, practice or system.

Claims Data or Anonymized Patient Level Data (APLD)

Collected at a granular level by using the adjudication process in the **medical** and **pharmacy** payment chain to strip Personal Health Information (PHI) from pharmacy or medical claims.

Electronic Health Records (EHR)*

Anonymous patient chart information which provides a variety of insights such as disease stage, disease progression and recommended treatments from prescriptions to lifestyle recommendations.

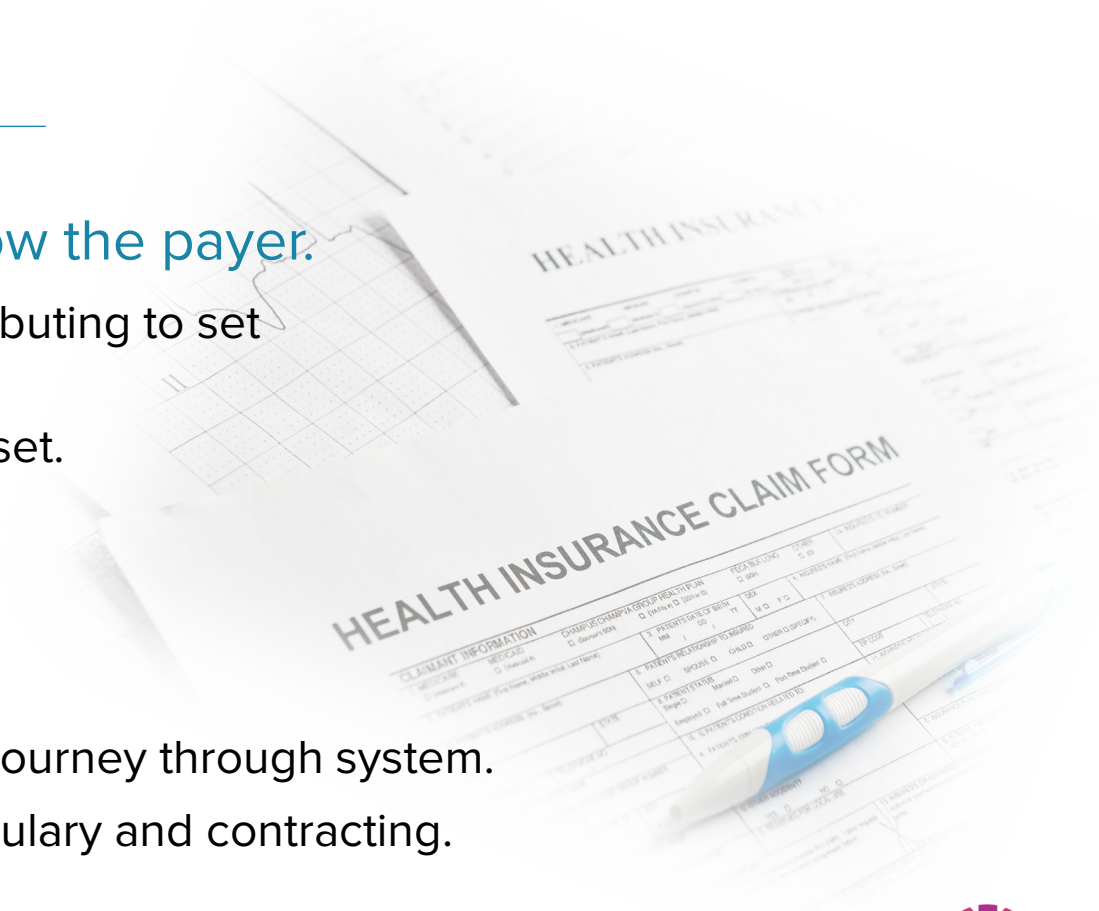
*DDD is also referred to as “Sell-In Data”
*EHR is also referred to as Electronic Medical Records or EMR

Claims Data is Most Common for Commercial Analytics

Claims Data is sourced from two main categories

Open-source data: Collected from source below the payer.

- ⊕ Includes claims from variety of payers and plans, contributing to set representation.
- ⊖ Patient data capture is fluid, moving in and out of data set.



Closed-source data: Collected from the payer.

- ⊕ Patient data capture is set, trackable.
  Single data set, providing complete portrait of patient journey through system.
- ⊖ Representation of total market can be skewed by formulary and contracting.

There are Four Main Types of Claims Data

PHARMACY (Rx) | MEDICAL (Mx) | HOSPITAL (Hx) | LABORATORY (Lx)




The two most commonly-used claims data sources are **PHARMACY** and **MEDICAL**

Choosing the RIGHT Metric Depends on the Question

Basic metrics commonly used to analyze brands are:

Prescription metrics are often presented in two ways:

- NRxs – new prescriptions
- TRxs – total prescriptions

Common Patient Metrics are:

- NBRx – new patients
- CRx – continuing patients

Example of more advance metrics to provide deeper insights are:

- Rx volume by indication
- Percent treated / diagnosed population

Understanding the difference between the above metrics is critical because they provide different information.

A Closer Look at Prescription (Rx) Metrics

NRx + RRx = TRx

NRx is a new prescription given to a patient or sent to a pharmacy.

NRx often have refills or **RRx** associated with them.

New prescriptions and refills make up the total prescriptions or **TRx**.

Prescriptions are further segmented to determine the type of patient using the medication.

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Three Types of Patients

There are **3** main patient cohort segments.

1 NAÏVE

- ✓ New to therapy
- ✓ Patients starting treatment for the first time*

2 SWITCH/ADDS

- ✓ New to the brand of interest
- ✓ Treating or been treated with another drug in same market

3 CONTINUING PATIENT

- ✓ Patients who have already been treated with the drug of interest*
- ✓ Listed as CRx

Both cohorts are considered **New to Brand (NBRx)**

*See context and caveats on next slide

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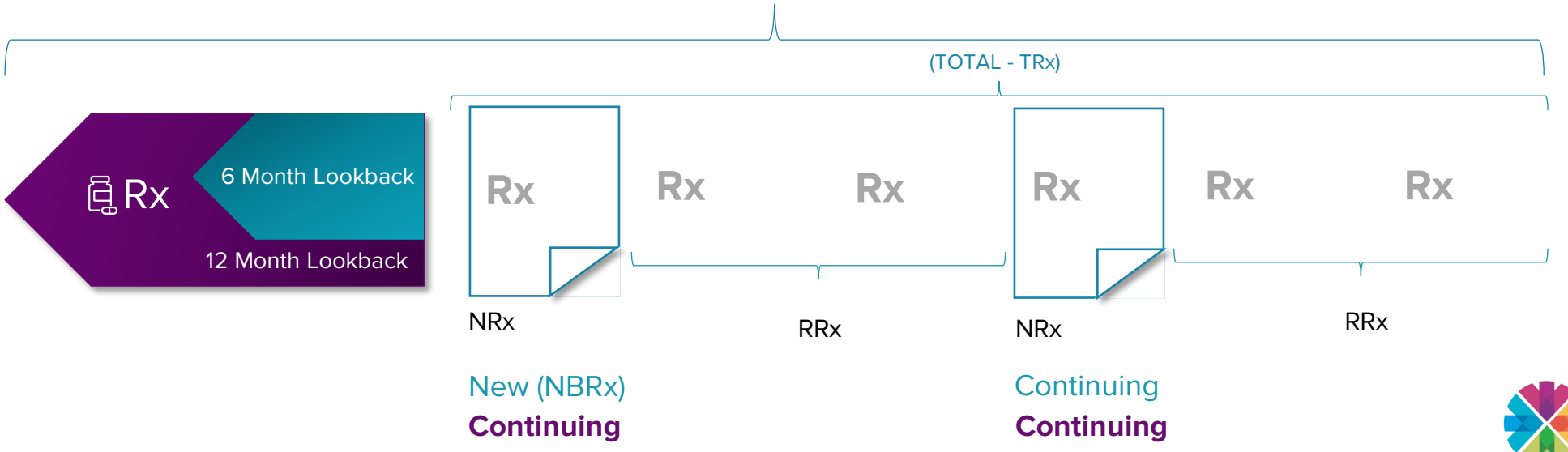
Patients and Prescriptions

Important context and caveats for patient level data*

- ✓ Amazingly powerful BUT sensitive to business rules
- ✓ Lookback periods are commonly set at six or 12 months
- ✓ Lookback periods determine whether a patient is NBRx or CRx
- ✓ Changing lookback periods and/or market basket will change NBRx and/or CRx value

The "Lookback" period is a timeframe used to determine whether a patient has had a prescription from the drug of interest or one from the market basket of competitive products.

The Anatomy of a Prescription



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Our Fictional Patient: "John Doe"

No Prior Rx

1/1/2021

NRx

New (NBRx)

12/1/2021

TRx

Continuing

Naïve or New to Therapy

1/1/2022

NRx

New (NBRx)

2/1/2022

TRx

Continuing

Switch / Add

Note: Ozempic® is a registered trademark of Novo Nordisk A/S

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Medical Claims Provide Insights into HCP Office Activity

Medical Claims Data includes:

- ✓ Medical Office data
- ✓ Long-term care data
- ✓ Hospital inpatient and outpatient data*

The **source** of medical claims data is the billing process of the practice seeking reimbursement for services provided.

Medical data **begins** with medical billing and coding specialists and then goes to a claims analyst who may approve or reject payment.

*inpatient and outpatient data are often treated as separate sets because they come from different systems/forms with different nuances.

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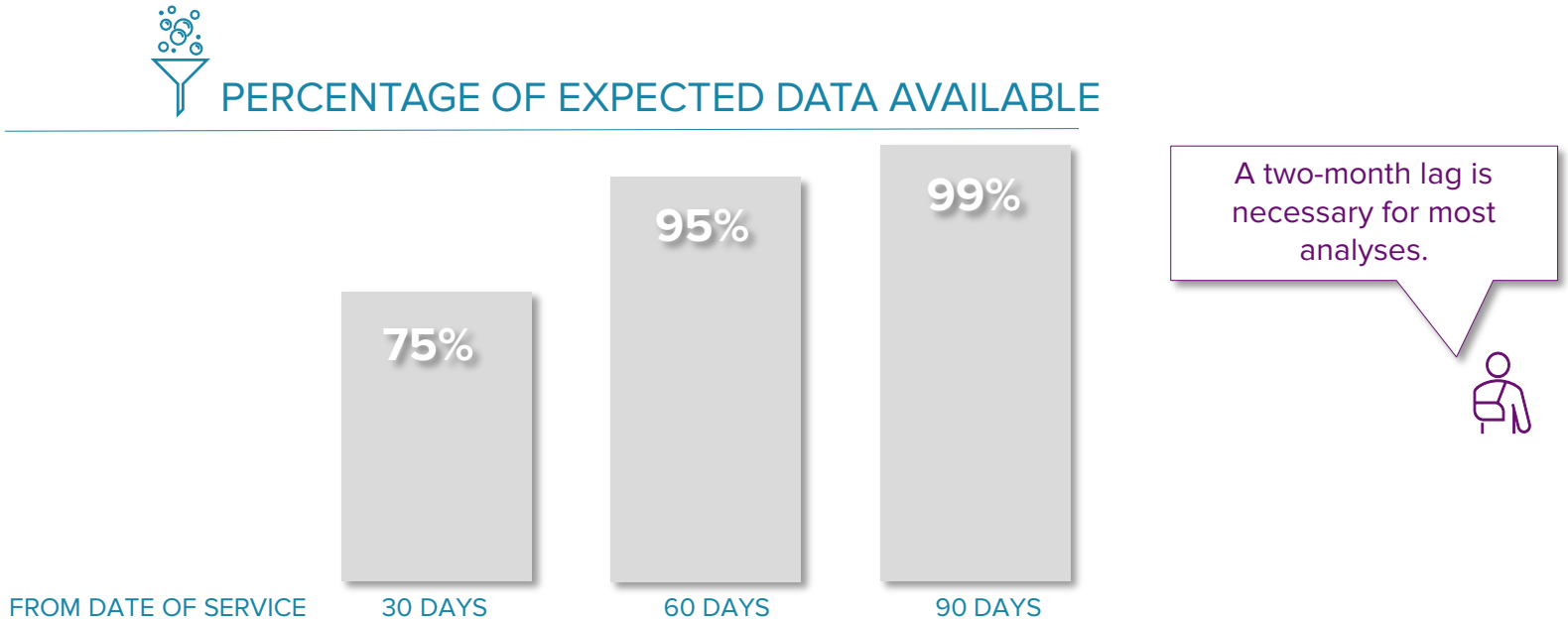
A Closer Look at Medical Claims Data

One of the key issues with Medical Claims data is **DATA LAG**.

If a claim is rejected, the bill may be returned to the billing specialist, adjusted and resubmitted.



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There is a Parallel Between Rx and Medical Claims Data

A medical claim is for a service provided such as:

- ✓ Medical exam
- ✓ Medical procedure
- ✓ Pharma procedure such as vaccine or infusion

Buy & Bill is when an HCP buys the drug and bills the payer for the drug and administration. **Brown Bagging** is when the drug is ordered via a pharmacy for HCP administration.

If a medical claim is for a "pharma procedure", the physician is billing for the cost of the therapy **AND** the administration.

The medical claim may or may not:

- ✓ Include brand administered
- ✓ Include J-Code or NDC11 for specific infuse product

It is critically important to work with partners who deeply understand your healthcare data and how to best extract valuable and accurate insights.

Data Without Insights Has No Value

START

with the insights you need.

THEN

identify the data that will help you uncover those insights.

Remember:

An informed understanding of data AND metrics enables you to select the most appropriate KPIs for your strategies which influences the methods by which data is measured.

PRESENTATION SOURCES:

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Thank you.

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