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INSIGHT

Better Privacy Laws Will Improve Health Claims Outcomes

INTRODUCTION

The ideal future of group benefits has always included increased health data exchange to facilitate collaboration between plan constituents, inform next-generation "intelligent" healthcare solutions, and ultimately enable quicker claims turnaround for best-case outcomes. Healthcare today is generating extremely large volumes of data due to the popularity of electronic wearable devices, which collect data points of the wearer's health and exercise habits, as well as the proliferation of electronic health records (EHR) among clinicians. However, consumers remain concerned with the security of their personal health data, which is further exacerbated by the fact that no single, comprehensive federal law exists to regulate how most companies collect, store, or share customer data. The current "data economy" that supports most common products and services remains invisible to the average consumer, and most have no idea, much less control, on who sees their data and how it is used[1]. To realize a group insurance ecosystem with secure, free data exchange to facilitate constituent collaboration, new, state-of-the-art healthcare claims and management technologies, and rapid claims resolution for best-case outcomes, overarching data privacy laws must be established to move beyond today's status quo.

THE RISE OF THE (HEALTH DATA) MACHINES

The rise of data is clearly upon us; data and the electronic tools to manage it are now in practically every segment of our lives, from communication, to entertainment, and most notably, health. Fitbits, smartwatches, and other wearable technologies have made it possible to track, measure, and record health data from our bodies 24/7. As consumer wearables converge with medical technology, the rise of comfortable, patient-friendly devices should increase customer compliance and improve data collection.

EHR adoption by clinicians and hospitals has also accelerated health data collection. Recent research notes that nearly 86% of office-based physicians had adopted any EHR, and nearly 80% had adopted a certified EHR.[2] Since 2008, office-based physician adoption of any EHR has more than doubled, from 42% to 86%.[3] The Office of the National Coordinator for Health Information Technology and the Centers for Disease Control and Prevention began tracking the adoption of certified EHRs by office-based physicians in 2014.[4]

The increase of digitized data has other benefits than just quick aggregation and exchange for clinical collaboration. Even partial digitization can lower overall claims costs, and some payers can save as much as 10% to 20% of medical costs if they use a digital solution such as advanced analytics to prioritize invoices for auditing or identifying patients likely to have future high-cost claims.[5] Digitized data can also provide consumers with more user-friendly interactions to help them manage their personal healthcare.[6]

THE DATA PRIVACY DOWNSIDE

Despite these innovative, cost-saving technologies that can collect consumer data and facilitate its free exchange between benefits plan constituents, consumers have little control over who sees and uses their health data. This results from the lack of a single, comprehensive federal law that regulates how most companies can collect, store, or share customer data.[7] In most states, companies can use, share, or sell any consumer data without expressed notification, while no national law standardizes when (or if) a company must notify consumers when their data is breached or exposed to unauthorized parties.[8] Even the well-known Health Insurance Portability and Accountability Act (HIPAA), has little to do with privacy and covers only communication between consumers and "covered entities," mainly doctors, hospitals, pharmacies, insurers, and other similar businesses, and not health data from wearables like Fitbits and smartwatches or other sources of health data in the future.[9] At present, only three U.S. states have comprehensive consumer privacy laws: California (The California Consumer Privacy Act (CCPA) and its amendment, California Privacy Protection Act (CPRA)), Virginia (The Virginia Consumer Data Protection Act (VCDPA)), and Colorado (The Colorado Privacy Act (ColoPA)), and regardless of which state a company is located in, the rights the laws provide apply only to people who live in these states. What's needed for the immediate future are common data privacy standards for all 50 states, as well as stronger privacy laws that include the basics for thorough consumer protection. Namely, data collection and sharing rights; data minimization, i.e., a company collecting only the bare minimum of data necessary to provide a service and/or product; opt-in consent; and nondiscrimination and no data-use discrimination, i.e., companies being unable to discriminate against people who exercise their privacy rights.[10]

FREE, SECURE DATA ENABLES INNOVATIVE INSURANCE TECHNOLOGY

Once overarching data privacy laws are passed to enhance consumers' sensitive health data protection, consumers will be more willing to share their information, facilitating greater exchange for collaboration, faster claims resolution, and provide future state-of-the-art use cases for more enhanced and comprehensive group insurance service. Some of these next-generation solutions are described below.[11]

Coordinated Claims

Claims coordination between core medical insurance and supplemental health insurance products is slowly being adopted. For example, consumers who are involved in accidents can access automated medical data sharers at the hospital or other treatment center, which they can opt in to immediately send accident and treatment information to medical, disability, and workers compensation insurers. This cuts down on paperwork and expedites claims information for faster payout, while simultaneously coordinating these efforts across all three insurers, or to the single insurer responsible for all three products. Although

this does imply some degree of coordination between insurers with consumer-approved shared private data, the expectation is that this will become the standard operating model over the next 10 years.

"Intelligent" Data-Based Healthcare Management

New technologies, a/k/a "intelligent" plans in cell phones and wearable apps operated by voice recognition, smart phone-enabled tests, and even biometric authentication, will be able to assist patients to remember and follow their specialized treatment plans. These apps will aggregate consumers' healthcare data in one central repository and use it to continually modify treatment and coaching instructions. This "intelligent" approach to treatment plans to guide consumers should be one of the next significant ecosystems in group insurance. It should be particularly impactful in the disability insurance sector, where "intelligent" treatment plans will also be leveraged for treatment plans, to resolve claims quickly and help employees and employers get sick and absent employees back to work as quickly as possible. These "intelligent" disability health plans will collect consumers' health data into one central source and continually update with new clinician data/instructions. A task made that much easier when consumers and clinicians have strong, effective privacy laws to protect sensitive health information.

CONCLUSION

Consumers remain concerned about their personal health data security and are hesitant to share this sensitive information. Comprehensive, well-written privacy legislation can alleviate these apprehensions, resulting in a greater exchange of health data to facilitate collaboration between clinicians and a faster and more efficient claims review and payout process via modern solutions. Increased health data exchange will also enable future innovative group insurance technologies for improved service and efficiency. Only with increased data protection, made possible by a national health data infrastructure, will consumers have the confidence and peace of mind to make this vision of free health data exchange a reality for the benefit of all involved.

ABOUT VITECH

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1. "The State of Consumer Data Privacy Laws in the US (And Why It Matters)," Thorin Klosowski, Wirecutter, *The New York Times*, Sept. 6, 2021
2. "Office-based Physician Electronic Health Record Adoption," The Office of the National Coordinator for Health Information Technology, Health IT.gov, August 2021
3. Ibid
4. Ibid
5. "For Better Healthcare Claims Management, Think 'Digital First," Shubham Singhal; Penelope Dash, MD; Tobias Schneider, MD; Sameer Chowdhary; and Himanshu Aggarwal, McKinsey & Company, June 2019.
6. Ibid
7. Op. Cit., Klosowski
8. Ibid
9. Ibid
10. Ibid
11. Advanced group insurance use cases courtesy of Cognizant. See the Vitech Insight Paper, "Group Insurance 2030: What Will It Look Like?"