



INFORMED DECISIONS

Springbuk Provides Predictive Health Care Analytics

By Tom Schuman

In her human resources and benefits role, Denise Hahn would typically receive health and wellness reports from a third party administrator, pharmacy benefits manager, broker and on-site clinic.

“They were four separate reporting packages, and the reports were usually a month or a quarter behind,” explains Hahn, who has been with Omni Plastics in Evansville for slightly more than one year. “Springbuk is pulling data into one portal; it’s live and there’s not a lag time. I can log in and see one snapshot with all of our information instead of going through 20 pages of reports.”

A complicated job is easier and, more importantly, the enhanced analysis is producing results. Omni, which is self-funded and has more than 90 employees, realized savings of \$42.83 per employee per month over the last plan year. In a country where employers will spend about \$1 trillion on medical care, wellness and employee health in 2017, reducing costs is essential.

Missing link

Rod Reasen and Phil Daniels, co-founders of Springbuk, began the road to where they are today eight years ago by starting a Healthiest Employer award program. As it rapidly expanded across the country, it accumulated survey data from more than 8,000 employers

covering more than 16 million lives. The finding revealed the lowest scores, by far, on reporting and analytics.

“We said, ‘There’s a big problem here,’ ” Reasen shares. While the challenge of being able to provide employers with data to make more informed decisions on their health care spending was clear, there was not a simple solution.

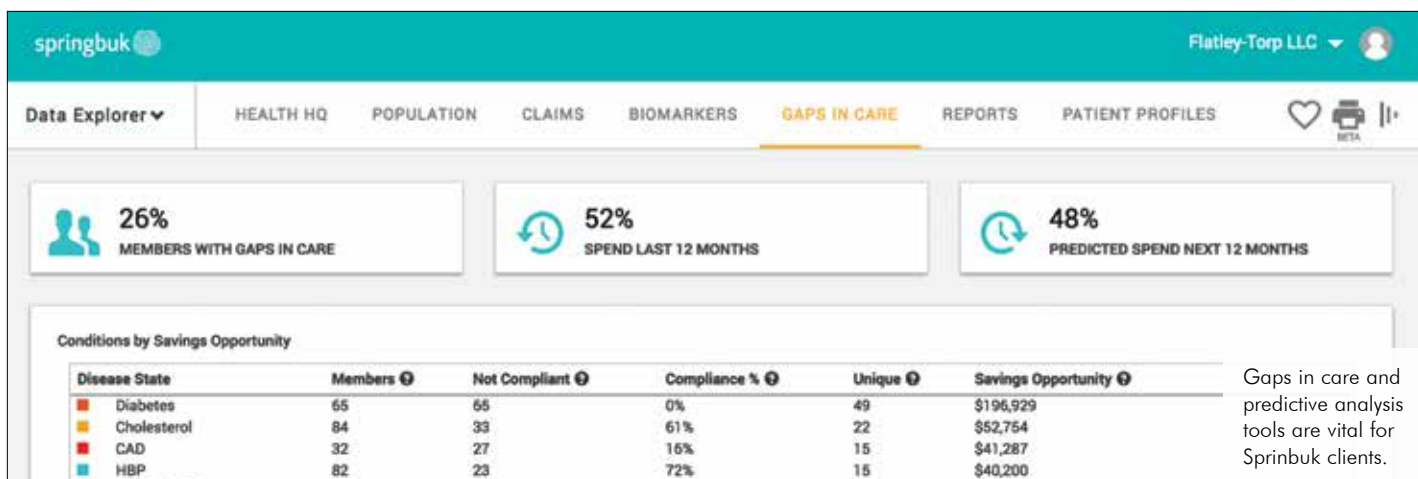
“Neither one of us had raised venture capital before,” says Reasen, who had a consulting practice in a brokerage firm, while Daniels’ background is in digital marketing. “We took a big leap to knock on people’s doors (to ask) how do you raise investment capital and start a software company, which neither of us had done.”

Daniels adds, “We didn’t come out of the typical software family tree, the marketing software that the city (Indianapolis) knows so well. Being in health care IT, that was more of a loosely shaped bucket.”

After several initial efforts came up short, the idea for Springbuk was formed in 2014. A product was launched early the next year with one channel partner (defined as brokers, consultants and wellness vendors who work with employers on reducing health care expenditures),



Co-founder Phil Daniels says Springbuk targets middle market firms as being underserved in access to health care information.



one beta customer and three employees. By the end of 2016, Springbuk boasted 38 channel partners, 600 employer customers and 30 employees of its own.

The problem: “The data sits in silos,” offers Reasen, who serves as CEO. “Because of HIPAA (Health Insurance Portability and Accountability Act) and other privacy laws, employers have been scared to create their own data warehouses. It’s time consuming, and they don’t have the knowledge to do it. Employers were still using three-ring binders, PDFs and Excel spreadsheets.”

The solution: “There was a large complex system that wasn’t targeting the middle market,” contends Daniels, executive vice president of marketing. “We said we need something that’s simple to use. It needs to be set in a modern technology stack and serve a large segment of the country that is driving the problem – the middle-market employer.”

Data and decisions

The sales pitch to potential customers is

pretty basic, according to Reasen. Referring to the \$1 trillion health care spend in 2017, he says, “Where else do we spend a trillion dollars in society and we have no proof of the effectiveness of the dollars being used?”

“When we tell the employer, ‘We’re going to be able to give you full access to all your data, in real time, viewed aggregately to see if the decisions make sense,’ they’re like, ‘Where do I sign?’ It’s one of the easiest sales to make when you show them the dashboard because their CFOs have been asking their HR people to prove it to them for years.”

Ben Conner, CEO of Conner Insurance and one of those channel partners, affirms the change that has taken place.

“In our world, from a broker perspective, we would run reports. February just ended (at the time of this interview), we wouldn’t be able to get the data from our February claim activity until basically the end of March. At that point, we could run static reports; they’re all somewhat the same.

“We run static report A, run static

report B, then compile that information to get exactly what you (the employer) want,” he continues. “That can happen in an instant with Springbuk. From a predictive piece, that’s where we’re shifting our focus – from what has happened to what is on the docket and is going to happen. Especially when you look at a health insurance renewal. Our goal is to build benefits that employees need and that meet employer budgets.”

Springbuk enables this by utilizing almost 300 data collection points. It has evolved the analysis from “here’s what happened last year” to “here’s what you can expect to take place going forward.”

The latter is accomplished, in part, through its Gaps in Care feature. In simplistic terms, that can be defined as employees/family members diagnosed with certain conditions but not taking the steps to treat those conditions. In Indiana, diabetes is often high on that list.

At Omni, Hahn says, “We recognized that an area we could improve on was for diabetes. We could offer diabetes-related supplies (meters, test strips, even medications) through our clinic, which in our case is at no cost to our employees.

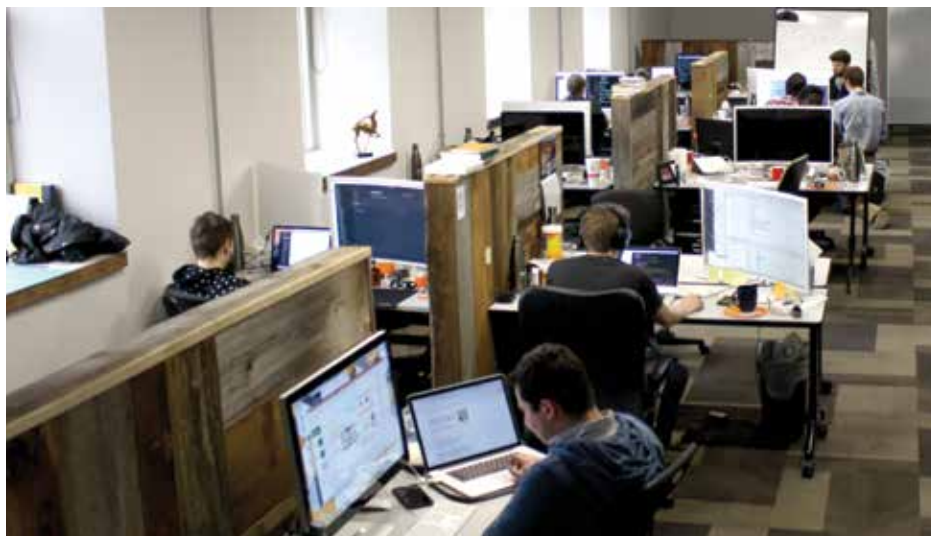
“Without that data,” Hahn attests, “we were trying to run a wellness program and take a shot in the dark at what might stick. Now we’re definitely making more strategic investments, strategic decisions.”

In a published case study with Batesville-based Hillenbrand, company officials note an 11% reduction in medical expenditures for on-site wellness center participants and an even larger decrease (18%) for a cohort focused on body composition. The analytics also helped identify the location for a second on-site wellness facility.

Conner concurs that the predictive elements of the Springbuk tool are critical.

“It gives you a fuller picture of where to spend your time and gets you to the right

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The Springbuk team, along with the number of clients and partners, continues to grow.

Springbuk

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place a lot quicker,” he conveys. “I think the response (of our clients) is that they feel more empowered to make decisions that are serving their employees better rather than going through benchmarks and trying to apply things that seem to be good for everyone. Every employer is unique. To build a program, it can’t just be a benchmark that applies to everybody.”

Blazing a trail

Springbuk is proving to be successful in reducing the unknowns for employers by entering somewhat of an unfamiliar territory.

“Middle market employers have had only rear-view facing data. Adding predictive intelligence is one of the biggest opportunities. We handle the complexity of bringing it all together,” Reasen states. “Employer and employees are singularly aligned. When healthy, both benefit. When sick, both suffer. That’s why we’ve aligned with the employer.”

When questioned whether there were opportunities for Springbuk to learn from others, Reasen stipulates:

“We are somewhat forging our own path. There is a great statement by Peter Thiel (co-founder of PayPal) that said had he known the complexities of the financial industry, we likely wouldn’t have started PayPal.

“But most disruptive technology comes from somebody that doesn’t have real roots in an industry. They have enough knowledge that they want to solve a problem. Had we known the complexities five years ago, we may not have traveled down this road. But



Ping pong battles provide a welcome work respite.

entrepreneurs see a problem and they want to solve a problem.”

In addition to the major challenge of out-of-control health care expenditures, there is the additional benefit of a software tool compared to the previous system.

“I can get away with not having a bunch of spreadsheets, and I don’t feel like I have to save all the prior reports,” Hahn shares with a laugh. “How often do you actually go back and dig through those things? If I need it, it’s all there archived for me.”

RESOURCES: Rod Reasen and Phil Daniels, Springbuk, at www.springbuk.com | Ben Conner, Conner Insurance, at www.connerins.com | Denise Hahn, Omni Plastics, at www.omniplastics.com

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