7 Tips for Choosing the Right Data Analytics Vendor to Effectively Manage Your Human Capital Programs

Labor, including health benefits and other human capital programs, is one of your biggest expenses. To effectively manage these programs, you need insight from your data that only a data analytics vendor can provide. Because there is such wide variation among vendor costs and offerings, we've put this checklist together to help you get the best solution for your short- and long-term strategic needs.

1 Secure Your Data
You need to secure the protected health information (PHI) and personally identifiable information (PII) collected through your human capital programs. Make sure the vendor you choose is HIPAA and HITECH compliant. The vendor should also have independent, third party certification, such as SSAE 16 SOC 1 and SOC 2, to ensure that its system is designed to keep client data safe.

2 Historical Data
Your historical data is a goldmine of information to establish a performance baseline and pinpoint cost drivers and trends. Make sure you can store at least 3 years of historical data, and that you can take it with you if you change data analytics vendors.

3 Integrated Data Sources
Your data should be stored in a single, secure platform and accept data from multiple sources. The more sources you collect, the more comprehensive the view of your population will be. You want to be able to see correlations, such as how switching from a high deductible health plan impacts medical utilization and spend, as well as its effect on workers' compensation and disability programs.

4 Dashboards and Reports
You don't want to rely on static dashboards that show what happened. You want to be able to slice and filter the data to get more insight. You also want a vendor who offers customized reporting so you can track the key performance indicators that align to your corporate objectives.

5 Data Access
You also must be able to identify the root causes of why issues are occurring. Make sure the vendor allows you to mine your data 24/7 to get real nuggets of insight that will help you design programs that meet your population's needs.

6 Analytics and Other Expert Support
Technology alone can't answer all your questions. Look for a vendor that provides some analytical support as a core part of its solution. Best in class vendors also provide additional support from actuaries, pharmacists, and other benefits and industry experts.

7 Cost
Cost varies among data analytics vendors, so be sure you evaluate all the features and services they provide, as well as the cost.

Look for a vendor that partners with you and your benefit advisors, not one that just provides static reports. Uncovering why issues are occurring is the key to designing programs that meet your population's needs and allow you to better manage your costs.

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