

How Thomson Reuters made its mark providing objective health care data

By Bruce Shutan

The need for objectivity, accuracy and transparency in employee benefit programs has grown considerably since passage of the Sarbanes-Oxley Act of 2002. And in this increasingly intense regulatory environment, HR and benefit departments are busy doing whatever they can to keep their bosses out of the limelight.

“CEOs don’t want any damaging headlines about investigations or charges being brought against the vendor you hand picked,” says Emily Twanmo, a vice president of client services for Thomson Reuters.

The economic climate also has ratcheted up pressure on employers to closely scrutinize big-ticket items, such as care-management program, and clamor for return on investment (ROI) from an independent source, according to Barbara Graovac, who’s also a vice president of client services for Thomson Reuters.

In search of the truth

Objectivity permeates the Healthcare & Science business of Thomson Reuters corporate culture, with roots that date back to 1981 when Ernest Ludy created from his Petoskey, Mich., home the Medstat brand, a brand that not only managed to survive numerous acquisitions, but also avoided being purchased by one of the leading service providers whose performance it evaluates on behalf of employers.

Medstat’s initial tagline says it all: “The most trusted name in employee benefits” – the result of an emphasis on accuracy and quality assurance. The firm’s founding principle was to mine accurate, objective and timely information to help group health care purchasers make better decisions with regard to vendor selection and management. Ludy mounted his mission following years of reluctance on the part of industry carriers to embrace transparency.

“We don’t have any vested interest in any of the vendors

or their performance, which means we can maintain the highest level of objectivity and independence in our analyses,” Twanmo explains. “It is critically important to payers that there be no conflict of interest in how the data are assessed.”

The Thomson Corporation, originally headquartered in Canada, bought Medstat in 1994 amid building a reputation for careful analysis of financial data. The company last year merged with the U.K.-based Reuters, whose 158-year-old news reporting service has long been admired for its journalistic integrity. This combination joined two international powerhouses committed to producing unbiased information and able to fully understand the unique competitive pressures associated with many of their multinational customers.

The power of acquisition

Today, the sum of Thomson Reuters’ disparate parts packs a powerful punch for large purchasers of health care benefits. The 1992 acquisition of SysteMetrics, a subsidiary of McGraw-Hill, helps clients with rigorous evaluation of ROI related to care management programs and other critical areas that require close attention. The firm’s research briefs mine data from Thomson Reuters’ MarketScan research database in order to “identify key trends and patterns that affect employer benefits, health costs and quality of care,” Twanmo explains.

That same year, the company bought Inforum, a leading developer of information products for outcomes assessment, marketing and planning to health care providers and integrated delivery systems. The deal has helped raise the bar on targeted messaging and communications so that employees better absorb information, Twanmo notes. It also helped years later when an increasing focus on health care consumerism led Thomson Reuters to adopt a marketing approach to improving employee health behaviors as they navigate through a complex new

system requiring greater personal responsibility.

Twanmo says the 2006 acquisition of Solucient, LLC, which provides data and advanced analytics to hospitals and health systems, brought a respected cadre of employer clients, staff members and effective methods into the mix for Thomson Reuters.

An acquisition the following year of Health Care Data Inc., a provider of clinical performance-measurement, analytics and reporting tools, enhanced Thomson Healthcare's analytics and reporting capabilities.

The 2009 acquisition of Trivantage Pharmacy Strategies expands Thomson Reuters' area of expertise into helping clients evaluate the performance of their pharmacy benefits manager and ensure compliance with prescription drug regimens.

Financial stability and innovation

Perhaps the most noteworthy item from an operational

standpoint is that Thomson Reuters is a financially stable organization whose solvency is never questioned.

"We're not cutting corners," says Twanmo. "We're not cutting staff like other companies, and in fact, we are continuing to grow. We're also able to continue to invest in our product development, and because of our reputation have been fortunate enough to attract some of the industry's best talent."

Graovac adds that many of the company's customers are in a position where they're in need of innovative products and services. "When you invest a substantial amount of money into your health care services, whether it's for vendors, information or project-based tools, you want to make sure that they're working and that you're getting a return on your investment," she says.

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