

Predictive Modeling NEWS



Catching Up With ... David Costello Chief Analytics Officer, Verscend Technologies, Waltham MA

Costello is responsible for leading Verscend's analytics and operations business intelligence reporting. He works closely with the product, consulting, data operations and client services teams to ensure that Verscend's proprietary analytics and reporting help clients meet their business objectives and remain relevant in the industry.

David Costello

- BA in Business Administration and Sociology from Northern Michigan University
- MA/PhD in Sociology from the University of Delaware
- Served for four years in the US Air Force
- Prior to Verscend, Costello was Chief Analytic Officer at Press Ganey, where he was responsible for building a set of analytic products that allowed hospitals and provider groups to enhance patient experience, solidify their reimbursements and identify areas for process improvement and revenue enhancement
- Also previously served as SVP of Consumer Segmentation and Engagement Strategies at Health Dialog, where he was responsible for building and implementing strategies that targeted, activated and engaged members related to their specific health conditions.

Predictive Modeling News: *What path did you take to your present position, starting right out of college? Was it the career path you envisioned when you started?*

David Costello: My career aspirations have always centered on effecting social good through analytics. Since graduate school, I've been interested in behavior change rooted in analytics, and exploring how I can predict behavior and incent individuals to do something that they may not traditionally have done on their own. When I first graduated, I considered becoming a sociology professor. But when I realized how difficult getting a teaching job would be where I lived, I pursued a position in higher education administration, where I could also work as an adjunct professor. After 12 years in higher education, both in and outside the academic sector, I went to work in the private sector, performing database marketing, for nine years. Following that, I fell into healthcare, where my goal of effecting social good became tangible. I've been in the healthcare industry for more than 15 years now. In so many ways, healthcare analytics is the career I was always looking for.

PMN: *What's the best practical application of predictive analytics that you've worked on or heard about lately?*

DC: There are two areas of predictive analytics that are fascinating right now. First is machine learning, which is where analytics will flourish in the future. We have such large data sets right now. Couple that with the tightening of staffing resources and the need to answer complex business questions. We need to make analytics work harder and machine learning can help. The new wave of analytics, in many ways, turns the scientific method on its head. Before, it was all about hypothesis testing. Today, we work with massive amounts of data to figure out associations and determine what those relationships mean. We are going to move healthcare forward by understanding relationships like we never have before. Second is natural language processing, which I believe is at a tipping point in healthcare. We can see how unstructured data can be leveraged more broadly. It brings a rhyme and reason to disparate data. NLP is the perfect analytics technique to find new opportunities, classify them and better understand patterns and trends. NLP is going to explode moving forward.

PMN: *What will predictive modeling look like in the future? What kinds of functionality will analytics bring to the table tomorrow that clever minds are only beginning to think about today?*

DC: Analytics will be brought closer to the end user than ever before. Currently, we are stuck in the concept that there needs to be an intermediary between data and the consumer: an analyst. Companies are working on tools that allow end users to leverage data on their own to make better, more informed decisions. For example, tools will soon tell consumers that if you run X query, and get Y result, this is how you should interpret it. This capability will be built into the tools themselves. We will see the middle person cut out of the equation through the availability of guided analytics. Additionally, analytics still tends to be retrospective. Clients can see where they've been, but not where they're going. Moving forward, we will shift beyond

forecasting by setting scenarios and detailing potential implications. Clients will be able to better understand where they are going in the future.

PMN: *What occupies a typical day or week for you? What functions, activities and workload are you typically engaged in?*

DC: My day typically focuses on planning and resourcing. Sizing up analytics is a difficult task, and I work closely with my team to take a step back and make sure we're understanding the bigger question we are being asked: What are we trying to solve for? We strive to think holistically about how to solve a problem. We work to find a resolution in the larger context of an organization. It isn't easy, and few analysts are trained to think about business implications. I spend time with my team to think through the dependent and independent variables, as well as the consequences.

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