

Policy Reforms to Improve Employer-Sponsored Insurance

Persistent gaps in the quality, affordability and equity of employer-sponsored health care, and ultimately, employees' health outcomes, are pervasive within employer-sponsored insurance (ESI). These gaps in care are the result of a fragmented health system that has little accountability for health improvement. Notably, fewer than 13 percent of commercial insurance payments in 2021 were tied to two-sided financial risk for improvements in health outcomes, compared to more than 35 percent of payments in Medicare Advantage and 24 percent in traditional Medicare.¹

Under the Employee Retiree Income Security Act (ERISA), self-funded employers – which often include large, multi-state organizations – have the flexibility to provide a uniform set of benefits to employees across all states. While ERISA allows for much-needed flexibility and stability for employers and employees, it does not provide federal guidance to employers seeking to enter value-based arrangements and limits the positive influence of state laws focused on driving innovation in ESI.

While employers are ultimately accountable for their health benefit programs, federal policymakers can do more to advance policies that will enable more value-based care – which will result in better, more equitable care for all Americans.

Morgan Health, a new business unit within JPMorgan Chase located in Washington, D.C., is focused on improving employer-sponsored health care for 285,000 JPMorgan Chase employees and the more than 160 million Americans who depend on ESI. Our work is designed to accelerate the adoption of accountable care in the commercial market by investing, scaling and developing new care delivery models that improve health outcomes. Based on lessons learned from value-based initiatives to date and insights from our portfolio companies, the priorities and solutions outlined below reflect necessary building blocks to maximize the ability of public and private payers to realize the full potential of accountable care.

Priority

01

Advance data quality and uniformity standards across the health care system

Persistent and widespread inconsistencies in data quality and uniformity pose one of the greatest impediments in the adoption of accountable care across the health system. Health care payment, delivery, and quality depend on clean, consistent data. However, for various reasons, health care stakeholders struggle to understand quality, outcome, and cost data for providers and facilities across all payers, including:

- Lack of centralized, consistent, and accessible provider/facility data hinders accountable care and value-based arrangements from producing the best possible outcomes at the most reasonable cost.
- Lagging HIPAA standards have not kept pace with advancements in data-sharing and technology, undermining stakeholders' ability to communicate safely, effectively and in real-time around care delivery.
- Inconsistent standards around collection and reporting of race and ethnicity data in accountable care arrangements undermine efforts to accurately and effectively identify and address health inequities.

Solutions

- ➔ Supporting the creation of a centralized, national provider directory to be able to improve cost and quality and improve accountable care arrangements.
- ➔ Modernizing the existing HIPAA statute to better reflect current technological capacity for health care delivery and business transactions across payers.
- ➔ Providing consistent standards for race/ethnicity data that are aligned between the private sector and federal government, building on the forthcoming update from the Administration to federal data and reporting requirements.

Priority

02

Address workforce shortages in primary and behavioral health

Accountable care arrangements generally rely on providers who manage the health needs of their patients by emphasizing the role of primary care and assuming financial risk for outcomes and costs. Without full integration of mental health services into accountable care arrangements, the risk equation will be skewed against providers who serve populations with higher rates of undiagnosed or undertreated mental health conditions.

Workforce shortages in primary and behavioral health care exacerbate this coverage design gap across the health system. Studies predict a shortfall of 38,000 to 124,000 physicians over the coming years with primary care facing a shortage of 17,800 to 48,000 physicians by 2034.² In the case of behavioral health practitioners, 2030 projections indicate a 20 percent decline in the number of psychiatrists, and there is already a significant shortfall in prescribing psychiatrists throughout the US, particularly in rural and underserved communities.³

Together, these challenges exacerbate a growing mental health crisis across the U.S. Almost a third of adults with a mental illness reported that they were not able to receive the treatment they needed while 42% of adults with any mental illness reported they were unable to receive necessary care because they could not afford it.⁴

Solutions

Maximizing opportunities to recruit, retain and empower primary care clinicians and behavioral health providers to practice to the top of their licenses.

- ➔ Growth in the demand for whole-person health services has prompted greater interest in expanding the primary and behavioral health care workforces to maximize the skills of non-physician providers.⁵ Expanding non-physicians' ability to practice to the top of their licenses and improving reimbursement for behavioral health care services would yield greater availability of behavioral health care services.⁶ Finally, supporting resilience of the primary and behavioral health care workforces is critical to ensuring adequate supply to support the health care needs of all Americans.⁷

Encouraging value-based arrangements that promote primary care with full integration of primary behavioral health care.

- ➔ In models proving the benefits of full integration of behavioral health care, 1 of 5 primary care visits were to address a behavioral health need.⁸ Initiatives to hire and integrate behavioral health into alternative payment models have increased the number of patients who receive behavioral health services and show a reduction in the total cost of care (such that implementation costs were recovered).⁹

1 <https://hcp-lan.org/apm-measurement-effort/2022-apm/2022-infographic/>
 2 <https://www.aamc.org/media/54681/download>
 3 <https://bhw.hrsa.gov/data-research/projecting-health-workforce-supply-demand/behavioral-health>
 4 <https://www.mhanational.org/issues/state-mental-health-america>
 5 <https://bhw.hrsa.gov/data-research/projecting-health-workforce-supply-demand/primary-health>
 6 <https://www.mckinsey.com/industries/healthcare/our-insights/unlocking-whole-person-care-through-behavioral-health>
 7 <https://www.whitehouse.gov/wp-content/uploads/2023/02/White-House-Report-on-Mental-Health-Research-Priorities.pdf>
 8 <https://www.commonwealthfund.org/publications/case-study/2022/dec/integrating-behavioral-health-services-primary-care>
 9 Id.