

It's Time for Private Sector Business to Come to the Health Care Table

Gary J. Salamido

With rising costs and below-average outcomes, North Carolina's health care value proposition is upside down. It's time for employers to lead transformative change.

For the third year in a row, *Forbes* ranked North Carolina first on its list of "Best States for Business" in 2019 [1]. In stark contrast, the United Health Foundation's America's Health Rankings 2019 Annual Report ranks North Carolina's health care 36th in the nation [2]. For four years, North Carolina's health care has ranked in the bottom third of the country, steadily dropping from 31st in 2015 [3] to the state's current rank.

North Carolina's competitive business climate has set the Tar Heel state apart from the rest. Unfortunately, so has North Carolina's health care, and for the wrong reasons. North Carolinians are paying more for health care [4], while health outcomes remain below average [2].

This is a frustrating reality for employees and the employers who purchase health care for them. Businesses across the state provide a large percentage of health insurance for North Carolinians. Whether by paying premiums or state and federal taxes, or by self-insuring, employers are major payers of health care. Yet, job creators have struggled to exercise their collective voice to better control costs and demand higher quality care.

For far too long, the complexities of health care have kept employers on the sidelines, and they have begrudgingly stayed there, watching costs rise year after year. Employers have relinquished control over their own health care supply chain, baking regular cost increases into their annual budgets. It is time for that to change.

Employers have the power to control their costs and improve value. For North Carolina to truly drive health care value and improve overall well-being, employers must take their seat at the table and engage in health care transformation. This starts by working collaboratively with all of the stakeholders along the health care supply chain (Figure 1).

The importance of collaboration across the health care supply chain is underscored in the North Carolina Chamber Foundation's 2016 Healthcare Strategy Roadmap: Preliminary Report [5]. As stated in the report, "Healthcare stakeholders in North Carolina have pursued a range of internal, local and statewide efforts to improve health and

health care value; however, these efforts have tended to be too fragmented to meaningfully and sustainably change the trajectory for North Carolina on their own" [5]. In addition, "Most employers are trying to address cost challenges through internal strategies (benefit design, wellness programs, etc.), but only a very small number of employers are engaging with partners along their health benefit supply chain to drive greater value," for the communities they serve and in which their employees reside [5].

Through this research, it was evident that businesses, inclusive of the rest of the health care supply chain, were talking past one another and needed to establish a common language to begin working in concert. That is why developing a shared language became the first stop on the Roadmap to Value-Driven Health Care.

The Roadmap to Value-Driven Health Care in Figure 2 depicts the required benchmarks needed to move toward value. Each is essential to making North Carolina a top-10 state for health care value. Catalyzing employer engagement is critical to this process. If the status quo remains and job creators fail to engage, North Carolina will be unable to improve health outcomes and make costs lower and more predictable, and the state will sacrifice its competitive advantage in the race for expansion and retention of private sector jobs.

North Carolina is home to the Research Triangle Park, leading research institutions, world-class data analytics and warehousing companies, a dominant insurance carrier, and some of the nation's top medical systems and pharmaceutical manufacturers—everyone on the supply chain. Providers, employers, and intermediaries across the state, as well as the state itself, are leading innovative efforts to drive value. While progress has been made, imagine what could be done if silos were torn down and each stakeholder worked toward the same goal. The outcome would be transformative and create a sustainable competitive advantage for the state.

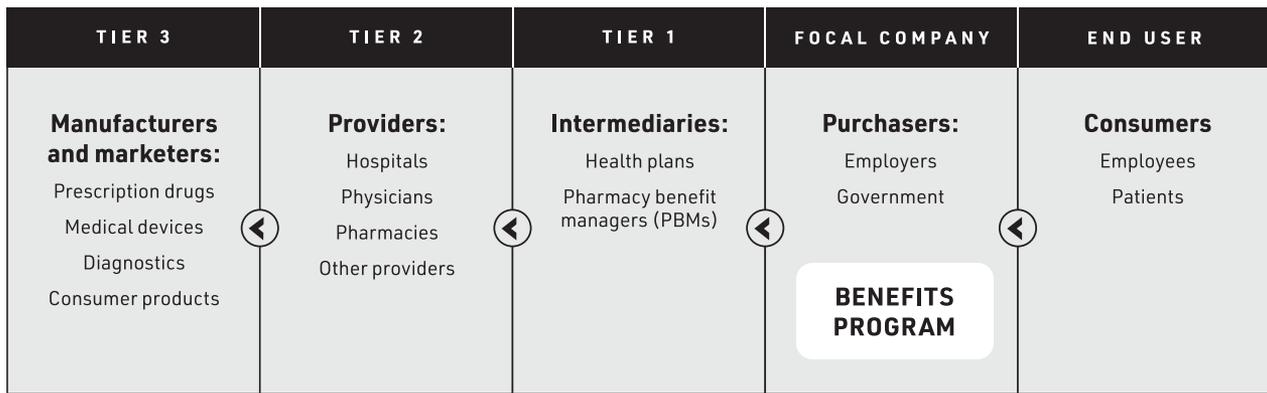
As North Carolina's voice for business, the NC Chamber is keenly focused on leveraging the findings of the NC Chamber Foundation's research to catalyze employer

Electronically published May 4, 2020.

Address correspondence to Gary J. Salamido, 701 Corporate Center Dr, #400, Raleigh, NC 27607 (kpayne@ncchamber.com).

NC Med J. 2020;81(3):203-205. ©2020 by the North Carolina Institute of Medicine and The Duke Endowment. All rights reserved. 0029-2559/2020/81314

FIGURE 1.
Health Benefit Supply Chain



Source: Reynolds C, Nightingale J. A Framework for Spanning the Value Gap. Bridging the Value Gap, Collaborating Along the Health Care Supply Chain to Improve Health and Control Costs, One Community at a Time. Piscataway, NJ: Johnson & Johnson Health Care Systems Inc; 2011:8.

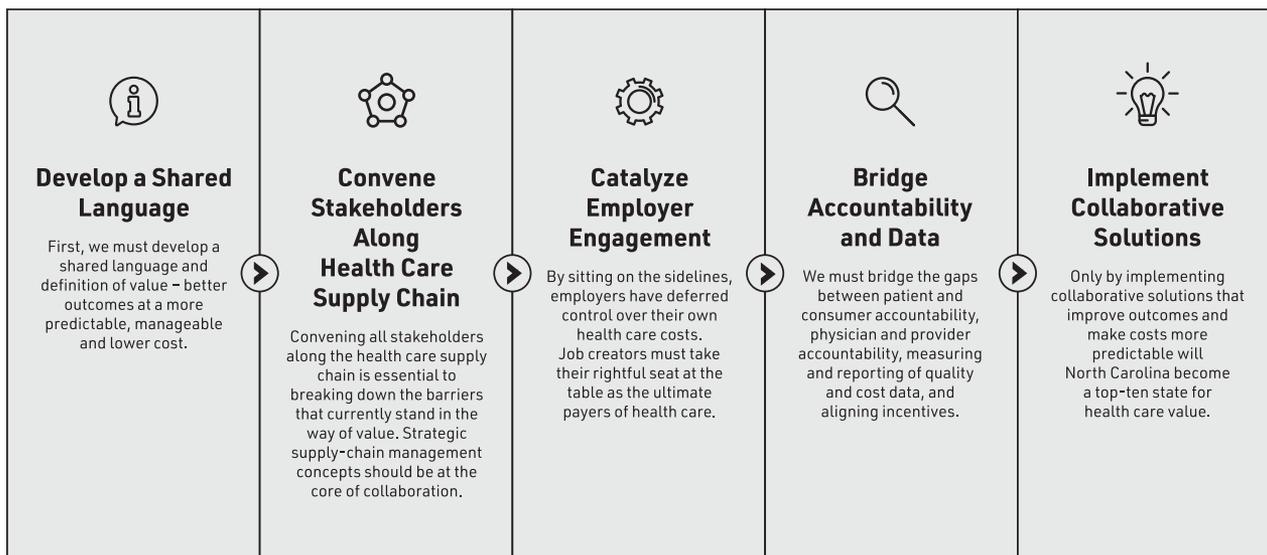
engagement and to act as a convener, bringing stakeholders along the supply chain together to collaborate. It is easy to point fingers and assign blame for North Carolina’s health care challenges, but in order to drive value, collaboration is essential.

As is made clear in the NC Chamber Foundation’s second health care study, The Roadmap to Value-Driven Health: Benchmarking Study Results and Implications for North Carolina [7], there is much the Old North State can learn and adopt from other states getting the health care value equation right. The findings summarize the most important of these lessons into a simple phrase: “think big, act small” [6]. The foundation’s benchmarking research revealed that change takes place one community at a time. Every region

looks different and faces different health challenges. By working locally, employers and stakeholders across the health care supply chain can focus in on what their area needs most. A local or regional approach would also be most effective in bringing employers into the fold.

Powerful change happens when job creators take the lead. In order to make North Carolina’s communities stronger and healthier, job creators in every corner of the state need come to the health care table. It is not enough to leave it to employers in the health care industry or the few in other sectors who have already made health care transformation a priority. Going forward, employers from all industry sectors must engage and use their power to drive value. It won’t happen without them. NCMJ

FIGURE 2.
Roadmap to Value-Driven Health Care



Source: Reynolds C, Nightingale J, Gallagher B. NC Chamber Healthcare Strategy Roadmap: Preliminary Report. Raleigh, NC: NC Chamber; 2016. <https://ncchamber.com/wp-content/uploads/RoadmaptoValueDrivenHealth2016.pdf>.

Gary J. Salamido, MS president and CEO, North Carolina Chamber, Raleigh, North Carolina

Acknowledgments

Potential conflicts of interest. G.J.S. reports no relevant conflicts of interest.

References

1. Sharf S. How We Ranked the Best States for Business 2019. Forbes.com. <https://www.forbes.com/sites/samanthasharf/2019/12/19/how-we-rank-the-best-states-for-business-2019/#461ccbb5118b>. Published December 19, 2019. Accessed February 4, 2020.
2. United Health Foundation. America's Health Rankings 2019 Annual Report. America's Health Rankings website. <https://www.americashealthrankings.org/learn/reports/2019-annual-report>. Published 2019. Accessed January 28, 2020.
3. United Health Foundation. America's Health Rankings 2015 Annual Report. America's Health Rankings website. <https://www.americashealthrankings.org/learn/reports/2015-annual-report>. Published 2015. Accessed February 12, 2020.
4. Duong Y. Health care costs for employees go up nationally, N.C still higher than average rate. NorthCarolinaHealthNews.org. <https://www.northcarolinahealthnews.org/2019/12/02/nc-employees-pay-more-of-their-income-for-health-insurance/>. Published December 2, 2019. Accessed February 4, 2020.
5. Reynolds C, Nightingale J, Gallagher B. NC Chamber Healthcare Strategy Roadmap: Preliminary Report. Raleigh, NC: NC Chamber; 2016. <https://ncchamber.com/wp-content/uploads/RoadmaptoValueDrivenHealth2016.pdf>. Accessed February 4, 2020.
6. Reynolds C, Nightingale J. The Roadmap to Value-Driven Health: Benchmarking Study Results and Implications for North Carolina. Raleigh, NC: NC Chamber; 2018. <https://ncchamber.com/wp-content/uploads/NC-Chamber-Health-Care-Roadmap-Benchmarking-Study.pdf>. Accessed February 4, 2020.