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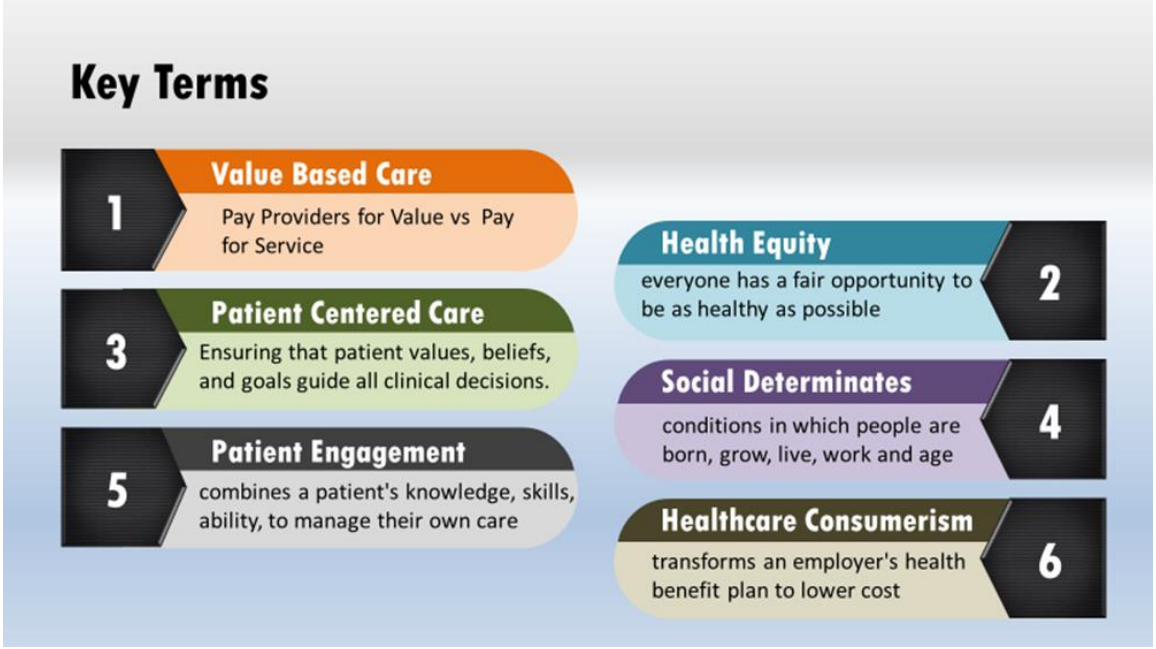
This White Paper intends to demonstrate to Human Resource Professionals the value of providing employer-supported healthcare consumer training to reduce cost, eliminate racial and ethnic disparities, improve health, and enhance wellbeing for their most important organizational asset... productive and loyal employees. This strategy has taken on increasing importance considering how the COVID-19 pandemic is, and perhaps forever, altering how we live and interact with healthcare providers and systems.



The Weak Invisible Hand in Healthcare and How to Make It Stronger

(Note: "Consumers" and "Patients" are Used Interchangeably)

On the demand side of the healthcare market, Human Resource Professionals and Policy Makers are tasked with finding methods to reduce healthcare costs without compromising value. At the same time, employees face growing responsibility for their healthcare costs through higher deductibles, copays, and Consumer-Directed Health Plans.

On the supply side of the healthcare market, providers are rapidly moving from Fee-for-Service payment models to Value-Based Models. As a result, their reimbursements are modulated based on how well they deliver coordinated, high quality, safe healthcare that encourages patient engagement while respecting the values, beliefs, and cultural uniqueness of each patient.

In economic terms, the strategies described on the demand and supply side of healthcare are designed to improve the "invisible hand" in healthcare so that providers and consumers have an equal opportunity to achieve the value they seek in their transactions[1]. The classic characteristics of markets that are influenced by the "invisible hand" include:

- Consumers and sellers are knowledgeable about the product being offered in the exchange.
- Consumers pay sellers directly for the goods and services being exchanged
- Market prices are the main measurement for determining a value for buyer and seller in the exchange
- The "invisible hand" creates efficient use of resources required to complete transactions.

In the healthcare system, there is one problem. According to research[1,2], none of these characteristics apply, because:

- Entities other than the patients have an interest in the performance of the product, which is healthcare outcomes. These entities include insurers, government agencies, and employers.
- Patients often do not know how to measure quality or evaluate value for the treatment they receive.
- Services for patient care are often paid for by a third party, thereby insulating the patient from the cost.

Hence the invisible hand cannot influence exchanges between patients and providers in healthcare due to price insulation and knowledge asymmetry between the classic buyer and seller, where the seller has substantially more knowledge than the buyer.

Closing the Knowledge Gap to Decrease Disparities and Increase Competition

To correct the knowledge imbalance between providers and consumers of healthcare, the Centers for Medicare and Medicaid Services (CMS), and a growing cadre of employers have launched several programs designed to provide consumers with published information on provider performance outcomes to help them make informed decisions[3-5]. The strategic intent of these programs is to give consumers and employers tools to make informed decisions and select providers who offer the highest value while forcing poor providers to improve or risk losing substantial revenue and market share. This process is similar to the characteristics found in classic nonmedical markets where knowledgeable consumers create fierce competition among profit-seeking sellers to maximize value in their exchanges.

There is growing evidence that employers who increase employee healthcare cost-sharing would benefit from designing training strategies to help their employees become savvy consumers of healthcare given the fact that consumption represents a significant portion of healthcare cost[6]. And while healthcare-related bankruptcies decreased under the Affordable Care Act, they are still the number one reason for personal bankruptcies[7].

Studies show that employee healthcare consumer training reduces "information asymmetry," where employees have substantially less knowledge than their providers. Moreover this kind of training can produce learning outcomes where employees develop more knowledge and confidence to interact with profit-seeking providers and increase the value they obtain from healthcare engagements[8]. This learned behavior can also lower costs given that poor healthcare consumer skills and literacy create an estimated $4.8 billion or more each year in administrative and avoidable costs for payers and employers[9,10].

The Role of Human Resource Professionals in Aligning Training with Corporate Social Responsibility and Employee Wellness/Healthcare[11]

The authors Ferrell, Fraedrich, and Ferrell define Corporate Social Responsibility as “an organization's obligation to maximize its positive impact on stakeholders and minimize its negative impact[12].”

It can be successfully argued that employees are the primary stakeholders in most organizations and play a significant role in how well an organization competes in the marketplace. Hence, employee healthcare

and wellbeing are central to their performance and the performance of the organizations for which they work. It is in this light that Human Resource Professionals are increasingly elevating employee healthcare and wellness from a benefit to an important part of Corporate Social Responsibility where "whole person care" and "population health" guide the development of training strategies to improve employee health, wellbeing, and organizational competitiveness[13].

Racial and Ethnic Disparities in Healthcare are not New

Human Resource Professionals often lead business units that are responsible for promoting and monitoring employee diversity and for making sure that equal treatment of culturally and racially diverse employees is enforced throughout the organization. As it relates to employee healthcare and wellbeing, minority employees are more likely to experience disparities in satisfaction with healthcare providers and systems, demonstrate poorer clinical outcomes, and have greater distrust in the healthcare system[14]. And while providing equal insurance coverage for employees, these are factors that can still lead to unequal treatment and poor clinical outcomes among minority employees[15-17]. These disparities create a need to train employees on healthcare consumerism so that they reduce their risk of experiencing disparities that can lead to higher cost, lower productivity, higher absenteeism and poor clinical outcomes

Business Case for Applying Social Determinates of Health in Plan Design

According to the Office of Disease Prevention and Health Social Determinates of Health is defined as "conditions in the environments in which people are born, live, learn, work, play, worship, and age that affect a wide range of health, functioning, and quality-of-life outcomes and risks[18]." Human Resource Professionals and Policy Makers are learning more about how the Social Determinates of Health (SDH) influence health behavior and clinical outcomes[19]. As a result, Human Resource Professionals are increasingly interested in improving employee SDH as a business investment with an ROI that is measured by decreasing employee absenteeism and presenteeism while improving employee productivity, mental health, financial wellbeing, healthcare cost, and competitive position in the marketplace. Likewise, the current pandemic has alerted policymakers to look more seriously at the untoward affects of healthcare disparities on people of color and how SDH contributes to morbidity and mortality in this population.

A Solution to Consider

Beyond the scope of this White Paper, but noteworthy, are the many changes that are taking place to encourage healthcare providers to deliver high-value care or experience a decrease in the revenue they receive from payers. This "Value-Based" payment model is designed to improve patient clinical outcomes, reduce costs, improve the patient experience with providers and systems, and reduce desparities[20]. However, providers can only do so much with this new payment model unless they are aided by "engaged" and "knowledgeable" consumers. But help is on the way.

Patient-Centered Medical Homes, Accountable Care Organizations and Value Focused Care

According to the American College of Physicians[21]:

The Patient-Centered Medical Home (PCMH) is a care delivery model whereby patient treatment is coordinated through their primary care physician to ensure they receive the necessary care when and where they need it, in a manner they can understand.

The ACP also note that the PCMH models include electronic and technical capabilities that allow them to deliver coordinated care that is culturally competent, data-guided and supports patient communication and engagement in designing healthcare plans that meet their goals, beliefs, and values.

According to Jenny Gold of Kaiser Health News regarding Accountable Care Organizations[22]:

An ACO is a network of doctors and hospitals that shares financial and medical responsibility for providing coordinated care to patients in hopes of limiting unnecessary spending. At the heart of each patient's care is a primary care physician.

And while ACOs were originally created as integrated delivery models for Medicare patients, they are gaining support for employees among employers and health plans interested in lowering cost without compromising value.

In addition to making more information available to employees to help them make informed decisions about who would most likely be a good healthcare provider or system for them based on their values, beliefs, financial profile, and needs, a growing body of evidence has identified the Patient-Centered Medical Homes and Accountable Care Organizations as healthcare delivery models that can provide culturally competent care, address and satisfy most needs expressed by employees[23]. It is also the model that many insurance firms, government agencies, and employers support with payment models that encourage PCMH transformation[24-27]. Moreover, a growing number of employers are developing strategies to direct their employees toward Patient-Centered Medical Homes and Accountable Care Organizations in their communities or employer worksite primary care facilities with promising results as expressed by lower cost, better clinical outcomes and greater employee satisfaction with their providers and care plan[28-30].

Key Performance Indicators (KPIs) for Patient-Centered Medical Home Recognition

While there are some variations between agencies that provide PCMH Recognition, The National Committee for Quality Assurance® is the largest, nationally used program for PCMH recognition and will be used for this portion of the analysis[31].

Unique Value of Each PCMH KPI

Team-Based Care: This mode of healthcare delivery has been shown to improve patient engagement and satisfaction with providers and systems, leading to lower cost and better clinical outcomes[32,33].

Knowing Patients: Culturally and Linguistically Appropriate Services is a set of standards that reduce the risk of racial and ethnic disparities, improves trust in providers and leads to lower cost and better clinical outcomes for employees[34]

Access to Care: Providing 24/7 access to primary care services has been shown to reduce costly non-emergent emergency room visits among employees with the kind of chronic illnesses found in minority populations[35].

Care Management: Patient and family engagement and empowerment contribute to lower cost, higher satisfaction, and better healthcare quality[36].

Care Coordination: Employees who have coordinated care provide lower cost and better healthcare quality[37]

Performance and Quality Improvement: Collecting, measuring, and using data for improving performance is essential for lowering cost and ensuring the positive patient experience among all races, cultures, and demographics.

Where to Find PCMH Programs by State?

Human Resource Professionals who are interested in learning more about PCMH and ACO programs in their regions can visit a site developed by the Primary Care Collaborative that will provide state-by-state PCMH programs and resources to assist in HR Professionals and consumers explore who offers PCMH programs and how their performance is measured across evidence-based domains[38]. You will also find information on PCMH practices in your area from your benefits broker or insurance provider.

Conclusion

The purpose of this White Paper was to demonstrate to Human Resources Professionals and Policy Makers the value of including healthcare consumer and empowerment training to reduce cost, improve quality, eliminate racial and ethnic disparities, improve health, and enhance wellbeing for their most important asset, productive and loyal employees and healthy, productive citizens.

Based on the evidence presented, there is multifaceted value in developing training strategies for healthcare consumers. As clearly exhibited in the data associated with the current pandemic, there are significant disparities in healthcare outcomes that are costly and can be mitigated by educating employees and citizens on the value offered by Patient-Centered Medical Homes and Accountable Care Organizations.

The data also demonstrates that there is significant value in teaching employees and citizens how to use published data to select providers and systems that are patient-centric and are skilled in delivering culturally competent care that is consistent with their health goals, beliefs and racial/ethnic culture.

About the Author:

The NCQA PCMH Content Expert Certification program certifies individuals who demonstrate comprehensive knowledge of the patient-centered medical home model of care and the NCQA PCMH Recognition Program, including a mastery of the NCQA concepts, criteria and the PCMH Recognition process.

The CPHQ designation provides the healthcare employer and the public with the assurance that certified individuals possess the necessary skills, knowledge, and experience in healthcare quality to perform competently.

Published Research

Examination of Racial Disparity in Healthcare Satisfaction and Utilization of Preventative Healthcare Screenings for Retirees of Organized Labor: Application of Cox Interaction Model of Client Health Behavior (2006).

Dr. James P. Young, Jr. is a nationally recognized Subject Matter Expert in Healthcare Consumer Behavior and Racial Disparities in Healthcare. He served as a consultant to Johns Hopkins University in their development of the Clearview 360 PATH Survey, which was designed to help providers capture data on patient satisfaction based on race and ethnicity, which is now taking a more meaningful position in healthcare, policy, and academic discourse due to the current COVID-19 Virus Crisis.

He is a Certified Professional in Healthcare Quality, NCQA Patient-Centered Medical Home Content Expert. Holds a Ph.D. in Organizational Behavior and Leadership and serves as Assistant Professor, Business/Management and Associate Department Chair, Human Resource Management, Project Management at Davenport University. Dr. Young was selected to provide guidance on how to incorporate healthcare literacy and racial disparity mitigation method to members of the United States Congress during the design and approval of the Affordable Care Act. He also works with members of congress to conduct town halls in churches, union halls, and community centers to improve healthcare literacy and empowerment skills.

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