

# Brief Notes

News for  
Brokers and Consultants

**March 3, 2016**

**Applies to:** All markets

## **President of New Jersey Business and Industry Association Promotes Value-Based Care**

Please read the following opinion article, which was authored by Michele Siekerka, President of the New Jersey Business and Industry Association (NJBIA). The article was posted on [PolitickerNJ.com](http://PolitickerNJ.com) on **March 2, 2016**.

### **Value Based Care: An Innovation We Must Encourage More Of**

Health benefits costs have always been the third rail for NJBIA members. In survey after survey, the cost of health benefits is always their greatest challenge.

In our annual Business Outlook Survey the cost of health benefits has been the number one concern every year for the last quarter century. In the very same survey more than 60 percent of our members told us that the Affordable Care Act has had a negative impact on their business. They are more concerned about the cost of health benefits than they are about taxes, regulations or mandates. That's how important this issue is.

In our 2014 health benefits survey our members reported that overall they experienced a 21% year over year increase in costs. Yet 87 percent of our members said they are still offering benefits to full time employees despite those rising costs. Further, 45 percent of our members said they lowered their profits and 22 percent said they delayed investments in order to afford to provide this benefit to their employees.

Our members are clearly telling us this benefit helps them attract and retain a high quality workforce, but it is just as clear from the survey results that 21 percent annual cost increases are not sustainable. If we don't find a way to bring costs under control, and soon, our members will have to make tough decisions and there will be a negative impact on the state's economy.

It is time for health care policy leaders, health care professionals, health insurers, and business leaders to come together and work for responsible, innovative changes to our health care system that will begin to lower costs while improving the quality of care we receive.

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Recently in New Jersey there have been a number of public discussions around health care related issues from how to control the cost to consumers (and to employers) of services offered by out-of-network providers, to value-based care to tiered networks.

Fee-for-service health care, where patients pay for the number of health care services performed rather than for the quality and outcomes achieved by treatment, is a primary factor driving up costs. Today, consumers are often paying for more health care services than they need because many of those services are duplicative or disjointed.

Our health care system needs to be better coordinated, more consistent, and less costly and we must make sure the system rewards those things.

Over the past few years, we have seen successful patient-centered, value-based collaborations between health insurance companies and doctors and hospitals that tie payment to better patient outcomes. In New Jersey, we should be doing everything we can to encourage such innovations.

NJBIA represents 20,000 employers. Our members employ 1.2 million people and each day they struggle with the effects of rising health care costs.

Working together, NJBIA believes we can create a value-based, not volume-based, health care system that encourages greater transparency for consumers to know more about the cost and quality of the care they seek, and works to make health care less complex and confusing and more cost effective.

Michele Siekerka  
President, New Jersey Business and Industry Association