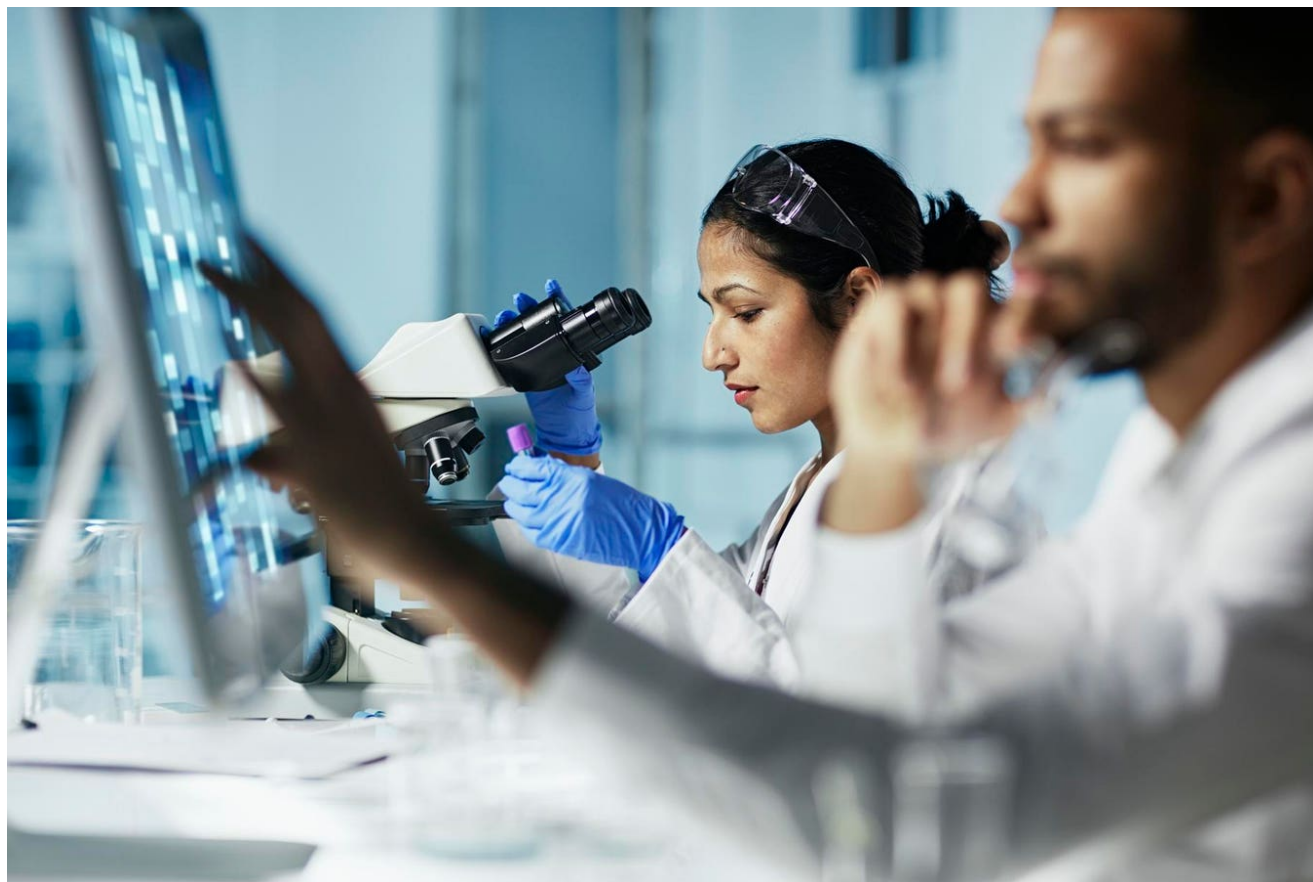


How J.P. Morgan Is Powering The Future Of Healthcare

F forbes.com/sites/jp-morgan-payments/2023/10/09/how-jp-morgan-is-powering-the-future-of-healthcare

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By Deborah Abrams Kaplan

Healthcare still lags on digitization compared to other sectors, not only in spending but in the use of tech for business processes and payments. Change is coming to the industry, but data regulatory requirements, a complex stakeholder ecosystem and a reliance on outdated legacy systems have slowed progress.



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“That complexity is very special to healthcare [and] that is also where the opportunity for digitization lies,” says Max Neukirchen, head of payments and commerce solutions at J.P. Morgan Payments.

Digital transformation is vital to delivering better, accessible and cost-efficient care, and a modernized payments infrastructure is crucial to achieving this future. With a full range of initiatives, J.P. Morgan is helping to advance healthcare through end-to-end financial solutions for organizations and by partnering with innovative companies invested in challenging the status quo. Explore how below.

Improving Payments Across The Ecosystem

How we pay for services and receive payments is increasingly digital, yet many healthcare systems have not kept up, maintaining traditional processes like paper billing. InstaMed, J.P. Morgan’s healthcare payments solution, helps digitize and enhance payment processes, improving billing accuracy, reducing administrative overhead and expediting financial transactions between consumers, providers and payers.

“It makes life much easier for our healthcare clients [and] allows them to offer a differentiated experience to consumers,” Neukirchen says.

InstaMed also helps manage cash flow; one hospital system digitizing its invoicing and accounts receivable reduced its reserves by 40%, freeing up funds to invest or reallocate, says Neukirchen.

J.P. Morgan's capabilities are much more expansive, though. The firm supports corporations across the healthcare ecosystem globally with additional services including integration into electronic health records platforms, cross-currency solutions, merchant services, working capital, liquidity management and safeguarding information. For example, patients participating in clinical trials can be reimbursed instantly through the company's global payment network, supporting recruitment and retention efforts to improve participation in tests that help get treatments to market quickly and safely.

"It goes to the core of what we do: Deliver money securely and efficiently, but with strong value-added services," says Neukirchen.

Optimizing Capital To Foster Industry Growth

The COVID-19 pandemic altered healthcare organizations' capital requirements as labor costs surged, hospitals lost billions in revenue and care needs evolved. As telehealth skyrocketed—representing a quarter-trillion-dollar economic opportunity—funding needs increased for research, facilities, community outreach, upgraded tech and other kinds of remote access, says Mukund Iyengar, CFA, and managing director of global healthcare sales at J.P. Morgan Payments.

Bankers representing the Healthcare Coverage teams at J.P. Morgan work closely with clients to map out strategic investments, incorporate risk management, review existing and future debt levels and find innovative ways to manage financial health with the shifting landscape.

That kind of relationship allows organizations across the care continuum—from local physician offices to multi-state healthcare systems to medical device manufacturers—to come to the best approach to support their scaling efforts and garner the right infrastructure and tools to deliver optimal service, says Iyengar.

"Better payment infrastructure means faster and cheaper payments, which means better-working capital, [which] will lead to better liquidity for the whole ecosystem," he says.

Driving Change Within Employer-Sponsored Healthcare

Employer-sponsored healthcare is riddled with challenges, including high costs and low-quality care. Through Morgan Health, J.P. Morgan is investing in companies centering quality, equity and affordability in employer-sponsored healthcare. Their portfolio companies span enhancing primary care navigation, providing lab testing in less expensive settings and offering affordable fertility treatments.

"The goal is to improve healthcare not only for our employees but also for 160 million people who get their insurance through their employer," says Dan Mendelson, CEO of Morgan Health.

Morgan Health wants to more seamlessly integrate healthcare into employees' lives. Using data and analytics to power and inform change is part of that mission, says Mendelson. After setting up a Vera primary care center in one J.P. Morgan Chase location in Ohio, they documented that 30% of employees visited and 70% of those engaging with its health coaches returned for additional care within 90 days.

On advancing equity, Morgan Health's work exists on top of J.P. Morgan's \$30 billion racial equity commitment. Mendelson says Morgan Health is ensuring that each portfolio company has a plan to address health equity and incentivize clinicians to close gaps.

"We exist to drive positive change in the system," he says. "...What we're focused on and solving for is bringing quality into the equation, bringing value into the equation and making investments that accelerate innovation."

Holistically, J.P. Morgan's work and expertise in the healthcare space are moving the industry forward—be it with payments, strategic investing and influencing the field's commitments for a better tomorrow.