Healthcare Affordability State Policy Scorecard

Polling data repeatedly shows that healthcare affordability is the number one issue that state residents, on both sides of the political aisle, want their policymakers to work on. This scorecard identifies areas where New Jersey is doing well and areas where it can improve.

STATE: NEW JERSEY **RANK: 12** out of 42 states + DC

New Jersey has relatively high healthcare spending per person with very high recent spending growth. The percent of residents reporting affordability problems is comparatively low, likely due to meaningful policy efforts. Attention to price growth will be key to sustaining this result.

	POLICY SCORE	OUTCOME SCORE	*RECOMMENDATIONS*
EXTEND COVERAGE TO ALL RESIDENTS	**7 OUT OF 10 POINTS** Medicaid coverage for childless adults extends to 138% of FPL. Certain recent immigrants have state coverage options.	**7 OUT OF 10 POINTS** In 2018, NJ was in the middle third of states in terms of covering the uninsured, ranking 24 out of 50 states, plus DC, for this measure.	*NJ should consider adding affordability criteria to its insurance rate review and consider coverage options for undocumented children.*
MAKE OUT-OF-POCKET COSTS AFFORDABLE	**9 OUT OF 10 POINTS** NJ has enacted measures to protect against skimpy, confusing STLD health plans and comprehensive SMB protections, as well as benefit designs that waive cost-sharing for selected services in fully insured market.	**9 OUT OF 10 POINTS** NJ has surpassed many other states in reducing healthcare affordability burdens (although 28% adults are still burdened), ranking 7 out of 49 states, plus DC, for this measure.	*NJ is a leader in alleviating healthcare affordability burdens — use existing tool set for continued progress.*
REDUCE LOW-VALUE CARE	**4 OUT OF 10 POINTS** NJ requires some forms of patient safety reporting, has enacted non-payment policies for 'never events' and performs above avg. for hospital antibiotic stewardship, but has not yet measured the provision of low-value care.	**2 OUT OF 10 POINTS** NJ ranks poorly in terms of reducing C-sections for low-risk mothers (48 out of 50 states, plus DC) and ranks 35 out of 50 states, plus DC, in terms of per capita antibiotic prescribing.	*Curtailing low- and no-value care is a key part of a comprehensive approach to affordability. NJ should use claims and EHR data to identify unnecessary care and enact a multi-stakeholder effort to reduce it. Moreover, NJ should increase efforts to address antibiotic overprescribing.*
CURB EXCESS PRICES IN THE SYSTEM	**0 OUT OF 10 POINTS** As is common in many states, NJ has done little to curb the rise of healthcare prices.	**6.1 OUT OF 10 POINTS** NJ is among the most expensive states, with private payer prices well above the national median, ranking 39 out of 42 states, plus DC, for this measure.	*Year-over-year increases in healthcare prices overwhelmingly drive state healthcare spending. New Jersey should consider creating a robust APCD, strong price transparency requirements, a health spending oversight entity and health spending targets.*

APCD = All-Payer Claims Database **FPL** = Federal Poverty Level **EHR** = Electronic Health Records **OOP** = Out-of-Pocket Costs **SMB** = Surprise Medical Bill **STLD** = Short-Term, Limited-Duration

See state notes on page 2.

Full report and additional details at **www.HealthcareValueHub.org/Affordability-Scorecard/New-Jersey**

ALTARUM HEALTHCARE VALUE HUB

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NEW JERSEY NOTES

Methodological Notes:

State rank reflects the weighted sum of the policy and outcome scoring components. In this summation, the Extend Coverage to All Residents category received the biggest weight (reflecting its large impact on the uninsured population) and Reduce Low-Value Care received the smallest weight, reflecting its smaller impact on spending. A lower state rank number (i.e. close to 1) reflects a higher overall score and better performance when compared to other states.

For a complete discussion of methodology, please see healthcarevaluehub.org/affordability-scorecard/methodology.

The Problem:

New Jersey has surpassed many other states in reducing healthcare affordability burdens, ranking 7 out of 49 states, plus DC, for this measure, though 28% adults are still burdened. The most common burden reported was 'trouble paying medical bills' (22% of adults), followed by 'made changes to medical drugs because of cost.' According to the BEA, healthcare spending in New Jersey totalled $7,591 per person in 2018.* Moreover, between 2013 and 2018 healthcare spending per person grew 21.3%.*

Extend Coverage to All Residents:

New Jersey uses reinsurance to reduce costs for those in the non-group market. Lawfully residing immigrant children and pregnant women covered are covered by Medicare without a 5-year wait. Prenatal care is available regardless of immigration status (limited funds; up to 200% FPL).

Make Out-of-Pocket Costs Affordable:

A unique feature of NJ's SMB law is an option for self-funded groups to opt in, extending state protections to employees in these plans.

High-deductible health plans create barriers to care for many families. Between 2011 and 2016, the average deductible associated with employer coverage rose 6% per year in New Jersey.* New Jersey's standard plan requirements pre-date the ACA; these requirements waive the deductible for immunizations and lead screening (children), preventive care, maternity care and second surgical opinions.

LOOKING AHEAD: New Jersey is moving to a state-based Exchange to open 10/1/2020.

Reduce Low-Value Care:

Addressing medical harm to increase patient safety can take many forms. One form is "never events," serious reportable events identified by the National Quality Forum (NQF) that should never occur in a healthcare setting.

Ninety-nine percent of New Jersey hospitals have adopted the CDC's 'Core Elements' of antibiotic stewardship — impressive, but short of the goal of 100% of hospitals.

Curb Excess Prices in the System:

NOTE: The very high healthcare prices seen in Alaska (relative to the national median), means that most other states received a relatively good outcome score for this category.

* Informational data, not used in state score or ranking. **DOI** = Department of Insurance **BEA** = U.S. Bureau of Economic Analysis • Scorecard Updated: Jan. 7, 2020