2021 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. It reflects policies implemented as of Dec. 31, 2020.

STATE: **NEW JERSEY** **RANK:** **N/A** out of 47 states + DC

TOTAL SCORE: *N/A OUT OF 80 POSSIBLE POINTS*

New Jersey has much work to do to ensure wise health spending and affordability for its residents. According to the Healthcare Value Hub's CHESS survey, 50% of NJ adults experienced healthcare affordability burdens as of 2020.* While NJ's uninsurance rate (7.9%) may be a factor, healthcare is increasingly unaffordable largely due to high costs that affect everyone. According to the PCE, healthcare spending per person in NJ grew 30% between 2013 and 2019, totaling $8,229 in 2019.*

	POLICY SCORE	OUTCOME SCORE	RECOMMENDATIONS
CURB EXCESS PRICES IN THE SYSTEM	**0.0** OUT OF **10** POINTS As is common in many states, NJ has done little to curb the rise of healthcare prices.	**2.9** OUT OF **10** POINTS High private prices are one factor driving costs. NJ's inpatient private payer prices are 209% of Medicare prices, placing them in the middle range of all states. Ranked 36 out of 48 states, plus DC.	*Year-over-year increases in healthcare prices overwhelmingly drive state healthcare spending. NJ should consider creating a robust APCD and strong price transparency requirements.*
REDUCE LOW-VALUE CARE	**1.9** OUT OF **10** POINTS NJ requires some forms of patient safety reporting. 96% of hospitals have adopted antibiotic stewardship. NJ has not yet measured the extent of low-value care being provided.	**3.0** OUT OF **10** POINTS NJ has more low-value care than the national average. Ranked 44 out of 50 states, plus DC.	*NJ should consider using claims and EHR data to identify unnecessary care and enacting a multi-stakeholder effort to reduce it.*
EXTEND COVERAGE TO ALL RESIDENTS	**8.0** OUT OF **10** POINTS Medicaid coverage for childless adults extends to 138% of FPL. Only some immigrants can access state coverage options. NJ uses reinsurance to reduce costs in the non-group market.	**6.8** OUT OF **10** POINTS 8% of NJ residents are uninsured. Ranked 24 out of 50 states, plus DC.	*NJ should consider offering coverage options for undocumented children and adults, as well as adding affordability criteria to rate review.*
MAKE OUT-OF-POCKET COSTS AFFORDABLE	**9.0** OUT OF **10** POINTS NJ has banned or heavily regulated short-term, limited-duration health plans, comprehensive surprise medical bill protections and caps cost-sharing for some high-value services.	**N/A** OUT OF **10** POINTS Data on affordability burdens was not available for New Jersey.	*NJ should consider a suite of measures to ease consumer burdens, such as requiring uniform cost-sharing across standardized plans on their state exchange.*

APCD = All-Payer Claims Database **CHESS** = Consumer Healthcare Experience State Survey **CMS** = Centers for Medicare and Medicaid Services **EHR** = Electronic Health Records **FPL** = Federal Poverty Level **PCE** = Personal Consumption Expenditure (Healthcare PCE measures spending growth among households as well as nonprofit, commercial and government hospitals/nursing homes) **SHADAC** = State Health Access Data Assistance Center **SMB** = Surprise Medical Bill **STLD** = Short-Term, Limited-Duration

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

ALTARUM HEALTHCARE VALUE HUB

Healthcare Affordability State Policy Scorecard

STATE: NEW JERSEY **RANK: N/A** out of 47 states + DC

NEW JERSEY NOTES

Methodological Notes:

State rank reflects the weighted sum of the policy and outcome scoring components. 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.

Curb Excess Prices in the System:

In order to receive credit for price transparency tools, a state's tool had to be public-facing, searchable by specific procedure and hospital and show the negotiated rate paid by insurance plans/patients (not chargemaster rate). New Jersey did not have a tool that met this criteria.

NJ has none of the four policy elements measured for this category. A 2021 Executive Order directs the Department of Banking and Insurance to develop plans for the implementation of both healthcare cost growth benchmarks and health insurance affordability standards by Jan. 1, 2022.

Reduce Low-Value Care:

According to the Johns Hopkins Overuse Index created using Medicare data, NJ's overuse of low-value care is 1 standard deviations above the national average, which is undesirable (however the value is still relatively close to the national average). New Jersey mandates patient safety reporting for CLABSI/CAUTI, but does not require validation.

Improper use of antibiotics is another type of low-value care. Antibiotic stewardship is the effort to measure and improve how antibiotics are prescribed by clinicians and used by patients—states were scored on what share of their hospitals follow the CDC's stewardship program.

Extend Coverage to All Residents:

NJ began operating a reinsurance program in 2019 and debuted a state-funded premium subsidy program in 2021.

NJ offers Medicaid coverage to lawfully residing immigrant pregnant women and children without a 5-year wait. The state also provides some services not covered through emergency Medicaid for income-eligible pregnant or post-partum women who would otherwise be ineligible due to immigration status. NJ does not offer coverage options for undocumented children/adults.

NJ has effective rate review as classified by CMS, but does not incorporate affordability criteria from the patient's perspective into rate review.

Make Out-of-Pocket Costs Affordable:

High-deductible health plans create barriers to care for many families. According to SHADAC, the average family deductible among employer insurance plans in NJ rose 35% between 2013 and 2019, totaling $3,456 in 2019. States should consider exploring new policies to reduce financial barriers to care for people with high-deductible health plans, although there are limits to how much states can influence employer insurance and Medicare. In response to rising insurance costs, some people turn to STLD health plans, which offer lower monthly premiums compared to ACA-compliant plans. However, these policies offer less coverage, can discriminate against people with pre-existing conditions and pose significant financial risks for consumers. States received credit depending on how much they limit or protect against these plans.

NJ has comprehensive protections against surprise medical billing. 'Comprehensive' SMB protections include emergency departments and hospitals, apply to all insurance types, hold consumers harmless/prevent balance billing, and adopt adequate payment standard or dispute resolution process. States with only some of these policies have 'partial' protections. The federal No Surprises Act prohibits surprise medical billing in most plans effective January 2022. However, it does not cover ground ambulances which often result in surprise bills. States can still implement protections in this area—64% of ground ambulance rides in NJ charged to commercial insurance plans had the potential for surprise medical billing.* NJ's standard plans pre-date the ACA and explicitly waive the deductible for immunizations and lead screening for children, preventive care, maternity care and second surgical opinions. Within their state exchange, NJ offers the same benefits across plan levels, but plans can have different cost-sharing structures and insurer types. For this measure, states were scored according to 2019 SHADAC affordabilty burden data, which was not available for New Jersey, resulting in no score (the CHESS data in the opening summary is informational and not part of state scores).

* Informational data, not used in state score or ranking. Scorecard Updated: Oct. 27, 2021.