

New Jersey Health Care Affordability Advisory Group

March 30, 2021 Meeting Summary

This summary presents highlights from the March 30, 2021 virtual meeting of New Jersey's Health Care Affordability Advisory Group, which was created pursuant to Executive Order #217 and is responsible for providing expertise, input and guidance into the development and implementation of a health care cost growth benchmark. At the meeting, the group began discussions around improving access to more affordable care for New Jerseyans, an issue that has resonated even more over the last year due to the COVID-19 pandemic. After recognizing the critical role of many of those on the Advisory Group and other health care leaders in helping carry the state through the COVID-19 crisis, the meeting focused on reviewing background information highlighting the need to address affordability within the state and the role of a cost growth benchmark or target as a tool for doing so. Members introduced themselves by discussing what drives their own passion for improving access to more affordable care within New Jersey, as well as how this group can stay grounded in its work, with a shared mission to achieve this goal.

Answering the Call to Address Affordable Care

The Health Care Affordability Advisory Group includes a broad set of stakeholders working to provide expertise, input and guidance into the development and implementation of a health care cost growth benchmark or target for New Jersey, along with strategies to achieve those benchmarks.

Governor Murphy created the Health Care Affordability Advisory Group through Executive Order 217, which was aimed at promoting access to affordable, quality and transparent health care in New Jersey. The focus of the Advisory Group's work will be to provide feedback to an Interagency Working Group on the establishment of an annual health care cost growth benchmark to achieve the goal of improved health care quality at reduced cost.

Advisory Group Members

- **Dr. Raj Brahmhatt**, Chief Medical Officer, Riverside Medical Group
- **Cathy Bennett**, President and CEO, New Jersey Hospital Association
- **Maura Collingsgru**, Health Care Program Director, New Jersey Citizen Action
- **Patrick Davish**, Associate Vice President of Global Pricing & Reimbursement, Merck & Co., Inc
- **Robert C. Garrett**, CEO, Hackensack Meridian Health
- **Dr. John Kulin**, Representative for the Medical Society of New Jersey
- **Dr. Jeffrey Le Benger**, CEO, Summit Medical Group
- **Mitchell Livingston**, President and CEO, New Jersey Manufacturers Insurance Company
- **Mike Munoz**, AmeriHealth New Jersey Market President
- **Victor Murray**, Director of Field Building and Resources, Camden Coalition of Healthcare Providers
- **Linda Nilsen**, Assistant Vice President for Human Resources, Princeton University
- **Patrick Nowlan**, Executive Director, Rutgers AAUP-AFT
- **Kevin M. O'Dowd**, Co-Chief Executive Officer, Cooper University Health Care
- **Barry Ostrowsky**, President and CEO, RWJ Barnabas Health
- **Dennis Pullin**, President and CEO, Virtua Health
- **Ward Sanders**, President, New Jersey Association of Health Plans
- **Tony Sandkamp**, CEO, Sandkamp Wordworks, LLC
- **Linda Schwimmer**, President and CEO, New Jersey Health Care Quality Institute
- **Joe Sheridan**, President and COO, Wakefern Food Corp.
- **Kevin Slavin**, President and CEO, St. Joseph's Health
- **Gary St. Hilaire**, President, Horizon Blue Cross Blue Shield

Review of Benchmarking Basics

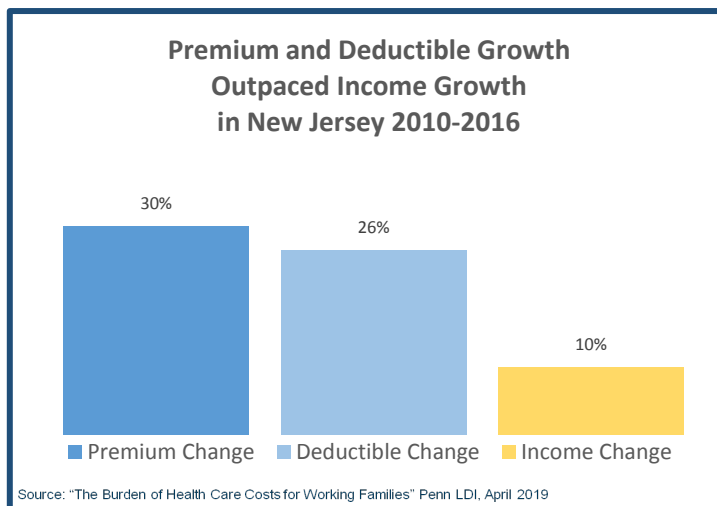
After reviewing the group charge, discussion focused on the basics of benchmarking. A benchmark is a yearly rate of health care spending growth within the state and a tool that helps with tracking spending, understanding the drivers behind its growth and, most importantly, prompting development of strategies to align spending with intended targets. To date, five states have implemented benchmarking efforts, including: Connecticut, Delaware, Massachusetts, Oregon and Rhode Island.

Along with New Jersey, several other states are either actively working to develop benchmarks or discussing plans to do so, including Nevada, Pennsylvania, Washington and California. Bailit Health, which has worked to help several states with benchmarking, is bringing experience and lessons from that work to help guide New Jersey's efforts. Bailit Health noted that Massachusetts, the state with the longest track record, has held its state spending below national averages over its near-decade of benchmarking.

The Case for Benchmarking in New Jersey

A May 2020 Altarum survey of more than 900 New Jerseyans found that half reported experiencing healthcare affordability burdens in the past year and more than three-quarters (77%) reported worrying about healthcare affordability in the future. Executive Order 217 was prompted by recognition of health care cost growth as “a challenge for New Jersey residents, family and employers, including the state.”

As part of setting the stage for benchmarking, Bailit Health reviewed supporting health care spending data with the Advisory Group, noting that: Nearly one third of New Jersey's family income goes toward health care premiums; and looking across states, New Jersey was estimated to have the 14th highest cost burden for health care faced by working families, with growth in average premiums and deductibles nearly three times average income growth 2010-2016.



Advisory Group Members Speak to What Drives them to Help Control Costs and What Can Help Ground the Work of the Group

The focus of the kick-off meeting was allowing members the opportunity to introduce themselves to one another by describing what makes them passionate about controlling costs, along with their views on what could help ground the Group in its capacity of advising the state's Interagency Working Group.

In terms of what inspires them to work toward controlling spending, some members described their own personal experiences struggling with affordability or recognizing the struggles of the many New Jerseyans they are working to serve. Others underlined the importance of spending control as a means toward improving access and quality within the state. Several spoke of health care as a “right,” underlining the need to address social determinants and “health” as “wealth.” In speaking of what would keep them grounded as they worked toward their recommendations, one underscored the importance of recognizing that “behind every data point is a face.”

Looking Ahead

The meeting closed by looking at the work ahead, with the Advisory Group set to convene monthly between April and December to provide input to the Interagency Working Group on development of the cost growth benchmark, including tackling issues related to the specifics of what spending should be measured and how New Jersey's individual benchmark should be calculated.