



New Jersey Health Care

BACKGROUND

- Health Care Affordability in New Jersey:
 - Healthcare costs in New Jersey are among the highest nationwide. A 2022 survey by the Healthcare Value Hub found that nearly 60% of New Jerseyans faced healthcare affordability challenges, and 85% were concerned about future costs.
- PhRMA in New Jersey:
 - New Jersey hosts a significant number of pharmaceutical headquarters, as it is home to about 70% of the top pharmaceutical manufacturers and 3,200 life science companies in the world.
- New Jersey Hospital Prices & Facility Fees:
 - Average hospital prices in New Jersey are **288%** of what Medicare pays for the same service, which is above the national average (269%), and outpatient facility prices are **318%** of what Medicare pays ([Sage Transparency](#)).
 - Some hospitals in New Jersey charge prices that are **3 times** Medicare. For example, average prices at Hackensack University Medical Center are **305%** ([Sage Transparency](#)).
 - In New Jersey, the price of an ultrasound increases by **140.8%** (\$152 to \$366) when a facility fee is tacked on ([Health Care Cost Institute](#)).

SOLUTIONS

- Prescription Drug Affordability Council (PDAC):
 - Since 2023, AV has supported the development and implementation of New Jersey's PDAC. However, the PDAC must currently go back to the legislature in order to set an upper payment limit (UPL) for a prescription drug. We recommend pursuing UPL authority for the PDAC to set UPLs and also leverage the federal Medicare negotiation program and reference the negotiated Maximum Fair Prices (MFPs).
 - AV grantees are working with the Governor's staff, PDAC members, and leading the coalition of advocates surrounding the implementation process. The coalition [recently released](#) the results of NJ focus groups that found widespread agreement that elected officials should be doing more to lower health care costs and broad support for taking action to regulate drug prices in the state.
- HART Program:
 - In 2021, Governor Murphy launched the Health Care Affordability, Responsibility, and Transparency Program (HART) via Executive Order with the goal of assessing health care costs and spending in the state.
 - In Sept 2024, HART found that New Jersey residents and employers spent over \$7,900 per person annually on healthcare, 15% higher than the national average.



- HART Policy Recommendations:
 - The fourth HART report outlines key policy recommendations, such as implementing Rate Review and establishing an All-Payer Claims Database, which align with AV priorities.
 - A new bill introduced this session includes these recommendations and proposes the creation of a Health Care Cost Containment Commission to codify and continue the work of HART. We are working to strengthen that bill to include additional cost control policies and mechanisms for enforcement. This commission would establish a cost growth benchmark structure, modeled after efforts in states like CA, MA, ME, MN, OR, and WA. Link to bill: [HB4713](#).
- Other policy options:
 - To address further health care market consolidation, the National Academy for State Health Policy (NASHP) has a new [model law](#) on mergers and acquisitions expanding the state's oversight authority related to consolidation, closures, and the corporatization of health care. Several states have pursued expanded authority to review, conditionally approve, and disapprove health care transactions, and [Oregon's](#) approach is the most robust. A bipartisan group of states have also banned [anticompetitive contracting practices](#) – [Connecticut and Texas](#) most recently.
 - To address facility fees, NASHP's [model law](#) prohibits unwarranted facility fees.
 - One area we are seeing a bipartisan group of states take interest in is related to state employee health plans and limiting the prices that that plan pays, typically to a multiple of Medicare. Oregon has had this policy in place since 2019, and a recent [policy evaluation](#) found it saved the state \$107.5M in its first two years.
 - For more information on NASHP's model laws contact Maureen Hensley-Quinn, NASHP's Senior Director of Coverage, Cost and Value at mhq@nashp.org or 207-822-3902.

OTHER DATA

- Recent New Jersey History of Notable Health Care Reforms:
 - 2013 Medicaid Expansion
 - 2018 Out Of Network Reform passed
 - 2019 Codification of all ACA Protections
 - 2021 Cover All Kids passed - Included eligibility expansion regardless of immigration status
 - 2023 Prescription Drug Affordability Package passed
 - 2024 Medical Debt Credit Reporting Ban and Protections passed
- Health Coverage in New Jersey:
 - Employer Sponsored Health Enrollees as of 12/31/23 - 5 Million
 - Get Covered NJ ACA Marketplace Enrollment as of 12/31/24 - 450,000
 - NJ FamilyCare/Medicaid Enrollment as of 12/31/24 - 1,835,433
 - Uninsured Rate - 7.2%