

2022 Healthcare Affordability State Policy Scorecard

This Scorecard looks at both policies and related outcomes across four affordability-related areas that were implemented as of Dec. 31, 2021. Lawmakers, regulators, consumer advocates and the public can use the Scorecards to understand how their state performs when it comes to healthcare affordability policies and outcomes relative to other states and identify opportunities to improve.

STATE:

NEW JERSEY

RANK:

17

out of 50 states + DC

POLICY SCORE

21.0

out of 40

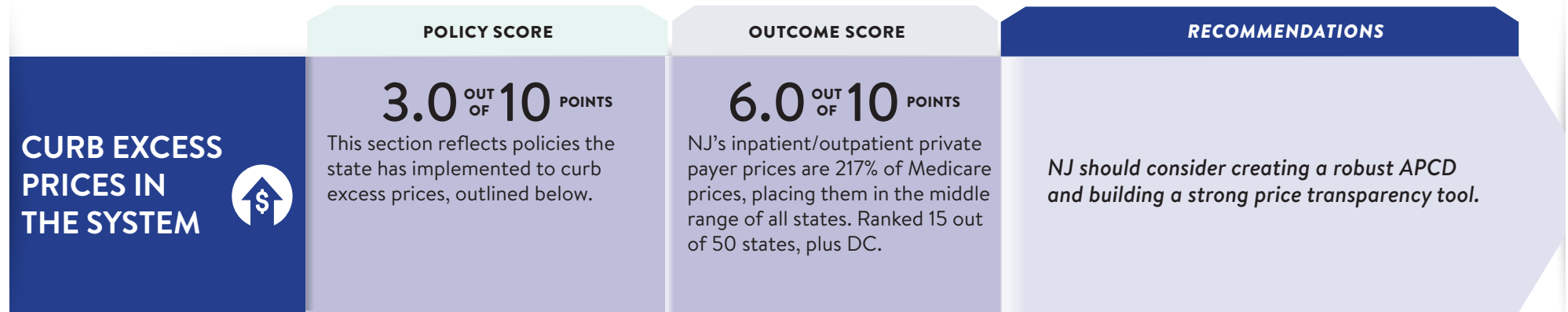
OUTCOME SCORE

18.4





out of 40

TOTAL
39.4 out of 80
POSSIBLE POINTS

Setting the Stage: According to the Healthcare Value Hub's 2020 CHES survey, 50% of New Jersey adults experienced healthcare affordability burdens. According to the Personal Consumption Expenditure, healthcare spending per person in New Jersey grew 31% between 2013 and 2021, totaling \$8,266 in 2021. Please note some of the outcome measures in this Scorecard include data from 2020, which may have been impacted by the COVID-19 pandemic.



THIS CHECKLIST IDENTIFIES THE POLICIES THAT WERE EVALUATED FOR THIS SECTION.

	Create an all-payer or multi-payer claims database to analyze healthcare price inflation, price variation and utilization New Jersey has not yet taken any action to form an all-payer claims database (APCD).
	Create a permanently convened health spending oversight entity New Jersey has a permanently convened health spending oversight entity that targets all spending. The Health Care Affordability Interagency Working Group is tasked with setting up the infrastructure for the development and implementation of New Jersey's healthcare cost growth benchmarks. Although the benchmarks themselves will go into effect in 2023, this Working Group is already underway.
	Create all-payer healthcare spending and quality benchmarks for the state New Jersey did not have active health spending benchmarks as of Dec. 31, 2021. Looking Ahead: The New Jersey healthcare cost benchmarks will go into effect in 2023, beginning at 3.5% and reducing to 2.8% by 2027. Because these benchmarks are not yet in effect, New Jersey is not getting credit for this. 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.
	Implement free, public-facing healthcare price transparency that reflects negotiated rates and features treatment- and provider-specific prices New Jersey did not have a tool that met the criteria to receive credit. To receive credit, a state's tool has to be public-facing, searchable by specific procedure and hospital and show the negotiated rate paid by insurance plans/patients (not chargemaster rate).

KEY:  = implemented by state  = not implemented by state  = the state has implemented policies, but could be enhanced

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

Healthcare Affordability State Policy Scorecard

STATE:

NEW JERSEY

RANK:

17

out of
50 states
+ DC

POLICY SCORE

2.0 OUT OF **10** POINTS

NJ has not yet measured the extent of low-value care being provided. They require some forms of patient safety reporting. 100% of hospitals have adopted antibiotic stewardship.

OUTCOME SCORE

1.4 OUT OF **10** POINTS

NJ was among the states with the most low-value care, with 21% of residents having received at least one low-value care service. Ranked 41 out of 50 states, plus DC.

RECOMMENDATIONS

NJ should consider using claims and EHR data to identify unnecessary care and enacting a multi-stakeholder effort to reduce it.

REDUCE LOW-VALUE CARE



THIS CHECKLIST IDENTIFIES THE POLICIES THAT WERE EVALUATED FOR THIS SECTION.

	Analyze claims and electronic health records data to understand how much is spent on low- and no-value services
	New Jersey did not measure the provision of low-value care as of Dec. 31, 2021.
	Require validated patient-safety reporting for hospitals
	Central line-associated bloodstream infections (CLABSI) and catheter-associated urinary tract infections (CAUTI) are two common forms of hospital-acquired infections. New Jersey mandates patient safety reporting for CLABSI/CAUTI but does not require validation.
	Universally implement antibiotic stewardship programs using CDC's 7 Core Elements
	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, and states were scored on what share of their hospitals follow the CDC's stewardship program. 100% of New Jersey hospitals have adopted antibiotic stewardship. States with 90% adoption or more get the most credit.

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POLICY SCORE

7.8 OUT OF **10** POINTS

NJ Medicaid coverage for childless adults extends to 138% of FPL. Only some immigrants can access state coverage options (see below). NJ uses reinsurance and premium subsidies to reduce costs in the non-group market.

OUTCOME SCORE

6.6 OUT OF **10** POINTS

8% of NJ residents are uninsured. Ranked 24 out of 50 states, plus DC.

RECOMMENDATIONS

NJ should consider offering coverage options for undocumented children and adults, as well as adding affordability criteria to rate review. NJ might also consider pursuing a Public Option.

EXTEND COVERAGE TO ALL RESIDENTS



THIS CHECKLIST IDENTIFIES THE POLICIES THAT WERE EVALUATED FOR THIS SECTION.

	Expand Medicaid to cover adults up to 138% of the federal poverty level
	New Jersey has expanded Medicaid.
	Provide high-quality, affordable coverage options for people whose incomes are too high to qualify for Medicaid, e.g., Basic Health Plan, reinsurance or augmented premium subsidies
	New Jersey began operating a reinsurance program in 2019 and debuted a state-funded premium subsidy program in 2021.
	Provide options for immigrants that don't qualify for the coverage above
	New Jersey offers Medicaid coverage to lawfully residing immigrant children and pregnant women without a 5-year wait, including 12 months of postpartum coverage. Prenatal and contraceptive care is also covered regardless of immigration status. Looking Ahead: In 2021, the state passed the Cover All Kids law, that will expand the state's Medicaid program to cover undocumented children effective January 2023. The state does not offer coverage options for undocumented adults.
	Conduct strong rate review of fully insured, private market options
	New Jersey has effective rate review as classified by CMS but does not incorporate affordability criteria into rate review.

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POLICY SCORE

8.2 OUT OF **10** POINTS

NJ has banned or heavily regulated short-term, limited-duration health plans and has comprehensive protections against surprise medical bills. NJ caps cost-sharing for some high-value services.

OUTCOME SCORE

4.4 OUT OF **10** POINTS

NJ ranked 33 out of 50 states, plus DC on affordability burdens—24% of adults faced an affordability burden: not getting needed care due to cost (8%), delaying care due to cost (8%), changing medication due to cost (8%), problems paying medical bills (13%) or being uninsured due to cost (89% of uninsured population).

RECOMMENDATIONS

NJ should consider a suite of measures to ease consumer burdens, such as enacting surprise medical bill protections not addressed by the federal No Surprises Act and requiring standard plan design on their exchange.

MAKE OUT-OF-POCKET COSTS AFFORDABLE



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Limit the availability of short-term, limited-duration health plans

New Jersey has banned short-term, limited duration health plans (STLDs). Some people choose STLD health plans for their lower monthly premiums compared to ACA-compliant plans. However, they offer poor coverage, can discriminate against people with pre-existing conditions and pose financial risks for consumers. States received credit depending on how much they limit these plans.



Protect patients from inadvertent surprise out-of-network medical bills

New Jersey has comprehensive protections against surprise medical bills (SMBs). ‘Comprehensive’ 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 SMBs in most plans effective January 2022. However, it does not cover ground ambulances. States can still implement protections in this area—64% of ground ambulance rides in New Jersey charged to commercial insurance plans had the potential for SMBs (2021).



Waive or reduce cost-sharing for high-value services

New Jersey’s standard exchange plans waive the deductible for immunizations and lead screening for children, preventive care, maternity care and second surgical opinions.



Require insurers in a state-based exchange to offer evidence-based standard plan designs

New Jersey has a state-based exchange but has not implemented standard plan design. Within their state exchange, New Jersey offers the same benefits across plan levels, but plans can have different cost-sharing structures and insurer types. Standard plan design makes cost-sharing the same across plans within metal tiers, making it easier for consumers to compare plans. They also help regulators and exchanges negotiate or set rates with insurance carriers, which may translate to lower prices for consumers.

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