



MURPHY ADMINISTRATION: HEALTH CARE COST SAVINGS EFFORTS

Thanks to Governor Murphy's commitment to affordable health care coverage in New Jersey, rates in the individual insurance market are 22 percent lower in 2020 than they would have been had the Governor not acted to reduce health care costs. Governor Murphy recognizes the critical gains we have seen in New Jersey thanks to the Affordable Care Act (ACA) but knows that we must continue to build on this work because New Jerseyans, employers, and other purchasers of health care continue to struggle with health care costs. A stronger and fairer economy for all residents includes access to the critical coverage and care we all need to lead healthy, productive, and fulfilling lives. Over the last two years, the Murphy Administration has made progress in advancing health care cost savings efforts and, with the understanding that there is more to be done, continues its commitment to this work.

SUPPORTING HEALTH, NOT JUST HEALTH CARE:

The Murphy Administration recognizes the importance of health promotion and disease prevention in building a healthier population and reducing health care costs. The Administration has made critical investments in improving benefits to help smokers quit and to prevent diabetes in Medicaid, expanding access to women's health services including critical prevention screenings, addressing the maternal and infant health mortality rates in New Jersey, combating the opioid epidemic, supporting primary care, improving access to behavioral health, and integrating behavioral and medical health care. These efforts are not only critical to improving health outcomes for our residents but help reduce future health care costs for everyone.

STRENGTHENING AND STABILIZING OUR HEALTH INSURANCE MARKET:

The Administration has advanced several measures to manage costs, gain more control, and better stabilize our individual health insurance market, including:

- Launching a reinsurance program in 2018 to better manage high-cost health claims and reduce premiums in the New Jersey individual market, as well as implementing the shared responsibility requirement for health insurance coverage in 2018. Rates in the individual market are 22 percent lower in 2020 than they would have been had these laws not been signed.
- Building a New Jersey State-Based Health Insurance Exchange for open enrollment in 2020, so that the State can run our own health care marketplace and not be constrained by the Trump Administration's destructive efforts to limit consumer outreach and the open enrollment window on the federal exchange.
- Increasing outreach and awareness efforts including investing nearly \$2 million in in-person assistance to connect residents to available health care coverage options.
- The Governor signed 9 state laws codifying key ACA consumer protections, including protections for essential health benefits (access to maternity, mental health, emergency care, and more), pre-existing conditions, and no-cost preventive care. This will ensure protections for New Jersey consumers in the event of continued and sustained attacks on the ACA at the federal level.

SMART OVERSIGHT AND ACCOUNTABILITY IN NJ MEDICAID:

- Collecting \$200 million in unclaimed pharmaceutical company rebates and pursuing federal payments.
- Launched a Medicaid Innovation Office to pursue new payment models, including episodes of care, that will link Medicaid payments to improved outcomes for common procedures and conditions.

HUNDREDS OF MILLIONS OF DOLLARS IN PUBLIC EMPLOYEE HEALTH CARE COST SAVINGS THROUGH A COLLABORATIVE, MULTI-FACETED APPROACH:

- Working with our public sector union partners to redesign the State Health Benefits (SHBP) and School Employees Health Benefits Plans (SEHBP) to maximize care while minimizing costs.
- Creating a more efficient and cost-effective approach to administering health benefits through stricter oversight and auditing of the plans and eligible beneficiaries, fairer prices for out-of-network charges, and prescription benefit savings and auditing.

The **Governor's State Health Benefits Quality and Value Task Force** has led efforts to identify significant purchasing improvements for the SHBP and SEHBP as well as identifying opportunities to reform the way in which services are delivered to beneficiaries, while improving quality and creating savings. These efforts, when fully implemented can create significant savings opportunities.

PROTECTING CONSUMERS FROM SURPRISE MEDICAL BILLING:

The Governor signed legislation protecting consumers by eliminating the possibility of a patient receiving a surprise medical bill. Under the law patients will not pay more for inadvertent out-of-network services or emergency or urgent out-of-network services than what they would normally pay for in-network services. Prior to the passage of the law it was estimated that approximately 168,000 New Jerseyans received out-of-network bills each year, totaling \$420 million. In many instances, out-of-network bills are shifted to health insurers, who then pass along their costs to an estimated five million residents who pay up to \$956 million more per year for their commercial insurance premiums.

- Self-funded employer plans can voluntarily participate in the Out-of-Network law allowing those individuals to have a source of remediation for coverage denials, saving money for employers and their employees.

To address the **expensive out-of-pocket costs for medication** many residents must pay, the Governor recently signed legislation to have health insurers offer insurance products that cap out-of-pocket drug costs at \$150 to \$250 per prescription, per month, even before a patient has met their insurance deductible.

RECOGNIZING THE ROLE OF THE SOCIAL DETERMINANTS OF HEALTH:

The Murphy Administration has also taken steps to improve access to programs **that can lead to better health outcomes and lower health care costs**. This includes promoting awareness of the Supplemental Nutrition Assistance Program to combat food insecurity and promote health and simplifying enrollment in programs for older and disabled individuals that lower health care costs for premiums and prescriptions through the NJSave online savings application.