

Governor Phil Murphy

# Governor Murphy Signs Executive Order Advancing Health Care Affordability Efforts

01/28/2021

*Order Directs Department of Banking and Insurance to Develop Plans for Health Care Cost Growth Benchmarks and Health Insurance Affordability Standards and Establishes Health Care Affordability Groups*

**TRENTON** – Governor Phil Murphy today, joined by Department of Banking and Insurance Commissioner Marlene Caride, Office of Health Care Affordability and Transparency Director Shabnam Salih, Hackensack Meridian Health CEO Robert Garrett, and health care advocates, signed Executive Order No. 217, which directs the Office of Health Care Affordability and Transparency to convene an Interagency Health Care Affordability Workgroup to identify opportunities administration wide and across the public and private sectors to advance shared goals of improved health care affordability, accessibility, and transparency.

The Governor's Executive Order further directs the Department of Banking and Insurance, with partner agencies, to develop plans for the implementation of both health care cost growth benchmarks and health insurance affordability standards to ensure increased oversight and accountability in our health care system and to support efforts to stem the tide of rising health care costs. The Order will also create a Health Care Affordability Advisory Board comprised of health care industry stakeholders, consumer advocates, and policy leaders to guide the development and implementation of the cost growth benchmarks.

"The COVID-19 pandemic and economic fallout in its wake have laid bare socio-economic disparities and underscored the importance of more equitable, affordable access to health care services, coverage, and prescription medicines," said **Governor Murphy**. "Despite the progress we've made, health care costs continue to be a challenge for New Jersey residents, employers, and the State. Throughout this past year, our health care workforce has come together selflessly in service to our residents. The time is now to build on this collective spirit to more fully transform our health care system to make it more equitable, accessible, and affordable."

This work builds on the administration's efforts to improve access to high-quality, affordable health insurance for residents under the Affordable Care Act, including the establishment of a state based marketplace, a reinsurance program, a shared responsibility requirement, the implementation of out of network reforms and providing eligible residents with additional financial subsidies.

"New Jerseyans have lost so much due to the COVID-19 pandemic. We have also seen tremendous leadership and service from our health care leaders and recognize that we are upon a transformative moment in health care," said **Shabnam Salih, Director of the Office of Health Care Affordability and Transparency**. "We must continue to do all we can to save lives and ensure our residents have equitable access to more affordable health care and that includes working to stem the tide of health care cost growth. I look forward to working with leaders across the state, across industry and consumers and advocates to build plans and policy solutions that help us get there."

"The COVID-19 pandemic has demonstrated the importance of health care access, and highlighted the critical need for our continued work to address health care affordability," said **Department of Banking and Insurance Commissioner Marlene Caride**. "By understanding the specific cost drivers within the health care system, we can set benchmarks and policies aimed at containing costs that are ultimately paid by our residents. This administration has taken numerous actions to improve access to health coverage and care for our residents. We are now taking the next step forward to improve the health care system in our state for all of our residents by looking at health care costs across markets."

"The Department of Health look forwards to participating in the Interagency Health Care Affordability Work Group," said **Health Commissioner Judith Persichilli**. "This effort will help ensure that consumers and health care providers benefit from transparency and increased information regarding health care costs while maintaining a strong, integrated health care network to ensure access to all New Jersey residents."

"Medicaid is New Jersey's largest health insurance program, providing affordable health care coverage to one in five New Jerseyans. Our goal is to ensure that Medicaid members have accessible, equitable, high-value, and high-quality care as we also work to balance the rising health care and prescription drug costs that put pressure on our state budget," said **Human Services Acting Commissioner Sarah Adelman**. "DHS looks forward to working with our partners across state government to continue our Administration's commitment to smart policy solutions that promote affordable health care access."

"While we have made great strides in recent years to improve the quality of public employee health benefits while reining in the costs, we recognize there is much more work to be done across the board," said **State Treasurer Elizabeth Maher Muoio**. "Treasury is committed to working side by side with all of our partners in this latest data-driven approach to make access to healthcare more equitable and affordable."

"The Division of Consumer Affairs is proud to work with the health care licensing boards and the dedicated health care professionals to move toward a more equitable, affordable and accessible health care system for New Jersey residents," said **Kaitlin A. Caruso, Acting Director of the Division of Consumer Affairs**. "We stand ready to join our partners across the state in working together to achieve this important goal."

"Having access to quality, affordable health care is critical to achieving economic stability and justice for all New Jerseyans," said **Maura Collinsgru, Health Care Program Director at NJ Citizen Action**. "Bringing more accountability and transparency to our health care system is vital as we work to increase affordability and lessen the racial and economic health disparities that persist. We applaud Governor Murphy for continuing to prioritize access to health care and are committed to working with him toward our shared goal of health care for all our residents."

"Health care affordability is a priority for all of us and we applaud Governor Murphy's initiatives to ensure that all New Jersey residents have access to high-quality, convenient and cost-effective care," said **Robert C. Garrett, FACHE, Chief Executive Officer of Hackensack Meridian Health**. "We are committed to helping create a healthier New Jersey and making care more affordable."

"Now more than ever people should be focused on staying well rather than how they will be able to afford health care if they get sick," said **Kevin O'Dowd, Co-CEO of Cooper University Health Care**. "Employees fortunate

enough to cover the cost of health care, especially for the small employer market," **Senator Joe Vitale, Chairman, Senate Health Committee**. "This undertaking will help us understand where those costs are coming from, so we can work systemically to bring them under control. People not only need health care, it has to be affordable and it must maintain a high quality. This is achievable, but it requires a holistic approach that aligns the entire health care system. Without the affordable part, we will continue to fight to get everyone insured."

"One of the biggest concerns we continue to hear from constituents is the cost of health care, especially for the small employer market," **Senator Joe Vitale, Chairman, Senate Health Committee**. "This undertaking will help us understand where those costs are coming from, so we can work systemically to bring them under control. People not only need health care, it has to be affordable and it must maintain a high quality. This is achievable, but it requires a holistic approach that aligns the entire health care system. Without the affordable part, we will continue to fight to get everyone insured."

"A person's health impacts every area of their life, which is why access to quality medical care is an absolute necessity," **said Assemblyman Herb Conaway**. "This plan will give us a better understanding of our health care system so we can work towards a more equitable, affordable one that takes a holistic approach to supporting patients. This is undoubtedly a turning point in our state."

"Our goal as representatives is to improve the lives of residents. Making health care more affordable is one very crucial way we can do that," **said Assemblyman John McKeon**. "These comprehensive initiatives are designed to help limit costs while improving the quality and value of care individuals receive. This progress will continue as we keep working to advance health care in New Jersey."

"It's never been more important to expand access to health care and ensure high-quality coverage," **said Brittany Holom-Trundy, Senior Policy Analyst at New Jersey Policy Perspective (NJPP)**. "Creating space for interagency and stakeholder coordination is an important step towards keeping health costs low. Bringing more voices to the table should not only promote public health but also economic health as we work towards getting everyone in New Jersey the coverage they need."

"NJAHF applauds Governor Murphy's efforts to bring increased scrutiny to ever-increasing health care costs, which exacerbate health care disparities and remain the key barrier to access for so many New Jersey residents," **said Ward Sanders, President, New Jersey Association of Health Plans**.

"Our healthcare community has collaborated like never before to care for New Jerseyans during this pandemic," **said New Jersey Hospital Association President and CEO Cathy Bennett**. "Now, as we look to the road ahead, we appreciate the Governor's leadership in bringing together providers, payers and other stakeholders to work toward a healthcare system that ensures not only excellent care, but also care that is affordable and accessible to all."

"Horizon is committed to working with all stakeholders to make health care more affordable and to developing consensus on meaningful solutions," **said Gary D. St. Hilaire, President and CEO Horizon Blue Cross Blue Shield of New Jersey**. "We look forward to bringing the voice of our members to this important discussion and thank Governor Murphy for shining a bright light on this critical issue."

"MSNJ believes transparency is key in the reduction of processes that add additional costs to healthcare," **said Philip E. Kline, M.D., President of the Medical Society of New Jersey**. "Increased transparency and accountability will assist physicians in the delivery of quality care while ensuring patients can afford the services they may require."

A copy of Executive Order No. 217 can be found here (<https://nj.gov/infobank/eo/056murphy/pdf/EO-217.pdf>).

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