

Governor Phil Murphy

Governor's State Health Benefits Quality and Value Task Force Releases Final Report: Improving Health Outcomes and Managing Costs

05/10/2021

Report Identifies Opportunities for Hundreds of Millions of Dollars in Recurring Savings

TRENTON – Today, Governor Phil Murphy's State Health Benefits Quality and Value Task Force released their final report on recommended longer-term strategies to improve health outcomes for members and better manage the costs of employee and retiree health benefits. Together, the State Health Benefit Plan (SHBP) and School Employees' Health Benefits Program (SEHBP) cover approximately 820,000 people at a cost to the State and local participating employers of about \$5.79 billion in 2019. The State of New Jersey spends about 8.4% of its budget on these programs, or about \$3.2 billion in 2019.

"Now more than ever, this work is critical to the well-being of our public members, the SHBP and SEHBP, as well as the financial well-being of our State as we look toward economic recovery post pandemic," **said Governor Murphy**. "I want to commend all of our members of the Task Force for their dedication and hard work to identify real solutions that will help increase accessibility and availability – particularly in primary care and behavioral health – that will move us toward a stronger, fairer, and more resilient New Jersey."

"Improving health outcomes and managing costs within the state's health benefits system is crucial for employees, retirees and taxpayers alike," **Human Services Acting Commissioner Sarah Adelman said**. "I thank the Task Force members for their commitment and hard work in identifying these opportunities for savings. Our public workers have made their dedication clear during this public health emergency, and the financial strength of our state is always a priority. With this report, we can find savings – including recurring annual savings – that will benefit all of New Jersey."

"In recent years, New Jersey's elected state leaders and public employee unions have set the standard for all the states in high-value transformation of primary care and affordability of prescription medicines," **said Mark Blum, Executive Director of the America's Agenda**. "The Final Report and Recommendations of the State Health Benefits Quality and Value Task Force builds on this legacy with recommendations for securing and expanding New Jersey's successful high-value innovations and piloting new ones in areas like mental and behavioral health services where there is substantial unmet need. High-value transformation of health care that works for New Jersey's working families will not be led by powerful health industry interests with a financial stake in the status quo. It will be led by the alignment of health care purchasers and representatives of working families like the State of New Jersey and its public sector unions. The consensus of these diverse voices reflected in the Task Force recommendations makes the Final Report an important marker to the direction State Health Benefits need to go."

"Recommendations of the task force draw on a growing body of experience and research about how to maintain access to services, improve the value of care delivered, and stem cost increases," **said Joel Cantor, Rutgers Center for State Health Policy**.

"Our work brought together a cross section of experts and stakeholders to focus on the goal of improving health outcomes while identifying opportunities to better manage costs of the programs," **said Department of Banking and Insurance Commissioner Marlene Caride**. "The solutions developed are a testament to the commitment of this administration to ensure access to quality health care through the programs that serve public employees, while also improving the quality and value of the benefits provided."

"We appreciate the opportunity to partner with other stakeholders and the Administration, and are hopeful the concepts advanced result in advancing health care for our workers while providing relief to our public employers, and by extension, our taxpayers," **said Michael Cerra, New Jersey League of Municipalities**.

"To be at the table of the State Health Benefits Task Force and represent the realities of our members' experiences as well as those of New Jersey taxpayers was a welcome and refreshing opportunity," **said Donna M. Chiera, president of the American Federation of Teachers New Jersey (AFTNJ)**. "All too often, government will create a task force to address an issue without including the voices of those most affected. I applaud the Murphy administration for implementing a labor management process to seek solutions related to issues with health benefits."

"Now more than ever, it is critical to ensure both high-quality coverage and good value in the State's health benefits programs," **said Heather Howard, Princeton University Lecturer in Public Affairs and Director of the State Health and Value**. "I'm honored to have been a part of this Task Force and worked with the members to set forth recommendations that offer long-term solutions to improve both the quality of services public employees receive while also creating savings and efficiencies in the system."

"It was a pleasure to work in a process dedicated to evidence-based measures to improve access to care for State Health Benefits participants," **said John V Jacobi, Seton Hall Center for Health Law and Pharmaceutical Policy**. "Mental health and substance use disorders are pressing concerns for all families in New Jersey. The report carefully focuses on the critical need to integrated behavioral health care into primary care to improve access and quality of care. It also addresses the vexing need to increase the behavioral health workforce to ensure that care is available when needed. I applaud the Task Force's focus on issues central to the health of the families of state workers, and to behavioral health needs in particular. Mental health and substance use disorder needs occur in many families in New Jersey, and State workers."

"Now more than ever, everyone understand the need for high value healthcare," **said Kevin Kelleher, Deputy Executive Director of the New Jersey Education Association**. "This governor put together a diverse group of healthcare thinkers to come up with guiding principles to do just that. I believe that these recommendations can be used as a roadmap to move the state in that direction."

"I am honored to have been a part of the State Health Benefits Quality and Value Task Force and am proud of the work put forth by the members and staff," **said Kevin Lyons, Plan Administrator at the New Jersey State Policemen's Benevolent Association**. "This report details the first steps of a roadmap that will allow us to break

the stranglehold of the big hospital systems and dominant carriers, make long overdue investments in primary care and behavioral health, and positions NJ workers and taxpayers to make bold and quality driven progress for the State Health Benefits Plan.”

“We’ve made great strides over the last several years to rein in costs for health benefits while maintaining or improving the quality of benefits offered,” said **State Treasurer Elizabeth Maher Muoio**. “This was not by accident. This administration is committed to delivering on this promise to benefit both public employees and taxpayers. The taskforce’s final report provides a comprehensive blueprint to guide us moving forward, using a data-driven approach to tackle some of the primary drivers of healthcare costs.”

“Governor Murphy had the foresight to bring Labor and Management together and created the State Health Benefits Task Force to achieve savings for the taxpayers,” said **Pete Nowak, President of the International Association of Fire Fighters**. “Together, not only did we find savings for the Taxpayer’s, but we were also able to enhance benefits for our members as well. This report is a true testament to the leadership shown by everyone involved.”

“The Department of Health is committed to ensuring access to care at the most appropriate setting throughout the State,” said **Health Commissioner Judith Persichilli**. “We commend the Task Force on recognizing the importance of the coordination of care between health care settings and the need for expanded behavioral health care and access to specialty care. These are key issues as our health care delivery system continues to evolve to ensure access for all New Jersey residents.”

“It was a pleasure serving on this Task Force that brought together various stakeholders representing a broad range of constituencies,” said **Jonathan Pushman, Director of Governmental Relations, New Jersey School Boards Association**. “Health care spending constitutes a significant cost-driver in school district budgets, and it is critical that we continue to explore and implement ways to get the most value out of every dollar we spend. We are hopeful that the innovative solutions included in this report will produce long-term savings for school districts that participate in the School Employees Health Benefits Program, while providing a level of health care coverage and services necessary to recruit and retain a high-quality workforce.”

“The recommendations put forth by our Task Force ensures that the State provides both quality and value through our state health benefits in the most cost-effective way,” said **Steve Tully, Executive Director of American Federation of State, County and Municipal Employees**. “I applaud our members and the work we’ve done collectively to improve and provide best practices and efficiencies within our health care systems.”

“New Jersey’s health benefits programs insure public employees and their family members throughout the state and are big parts of the State’s and local governments’ budgets,” said **Acting State Comptroller Kevin D. Walsh**. “When so much money is at stake, we have to be sure it is being appropriately spent. The important work of the Task Force ensures the health benefits programs will deliver good health to plan members and good value to taxpayers.”

Created by the Governor in June 2018, the Task Force is comprised of state and national health policy experts, union and employer stakeholders, and experts from within the Administration. The Task Force’s objective is to conduct a comprehensive review of the employee and retiree health benefits programs to identify near-term strategies (previously published in an interim report released December 2018) and longer-term strategies (released in this final report) that could significantly improve health outcomes and better manage the costs of employee and retiree health benefits.

The Task Force recommends nine strategies for long-term improvement in quality and value, organized into three thematic areas: Primary care and care coordination; Behavioral health; and Specialty care, and has the potential to improve access to care, outcomes, and member experience, while also mitigating growth in health care expenditures over the next five years and potentially beyond. Below is an overview of the themes and summary recommendations:

- **Primary care and care coordination:** Solutions may include a combination of value-based payment for advanced primary care; direct contracting for primary care; and helping members navigate their benefits and the health care delivery system.
- **Behavioral health:** Solutions may include integrating behavioral health more closely with primary care; direct contracting for mental health and substance use disorder treatment; and strengthening the behavioral health workforce.
- **Specialty care:** Solutions may include reference-based pricing; centers of excellence; and episode-based payment

The strategies recommended in the final report could—by the report’s estimates—collectively generate savings of up to \$380 to \$420 million over five years, and up to \$160 to \$180 million in recurring annual savings, if fully implemented. These savings are made possible by directing members to hospitals, physicians, and other health care providers that deliver high-quality care at a lower overall cost and by investing in expansion of high value primary care and improved behavioral health access, which is arguably more important than ever.

For a copy of the final report, please click [here \(https://nj.gov/governor/docs/TaskForce_FinalReport.pdf\)](https://nj.gov/governor/docs/TaskForce_FinalReport.pdf).

Governor Phil Murphy

Statewide

Home (/governor/)	Key Initiatives	Social	NJ Home
Administration	Economy & Jobs	Facebook	http://www.nj.gov
Governor Phil Murphy	(/governor/initiatives/#Economy)	https://www.facebook.com/governorphilmurphy/	Services A to Z
(/governor/admin/about/)	Education	Twitter	http://www.nj.gov/njgov/njgov/alphaserv.html
Lt. Governor Sheila Oliver	(/governor/initiatives/#Education)	https://twitter.com/GovMurphy	Departments/Agencies
(/governor/admin/lt/)	Environment	Instagram	http://www.nj.gov/njgov/deptserv/
First Lady Tammy Snyder	(/governor/initiatives/#Environment)	https://www.instagram.com/govmurphy/	FAQs
Murphy	Health	Snapchat	http://www.nj.gov/faqs/
(/governor/admin/fl/)	(/governor/initiatives/#Health)	https://www.snapchat.com/add/philmurphy	Contact Us
Cabinet	Law & Justice	YouTube	http://www.nj.gov/nj/feedback.html
(/governor/admin/cabinet/)	(/governor/initiatives/#Justice)	https://www.youtube.com/njgovernorsoffice	Privacy Notice
Office of Health Care	Transportation	Contact Us	http://www.nj.gov/nj/privacy.html
Affordability and	(/governor/initiatives/#Transportation)	Scheduling Requests	Legal Statement &
Transparency	News & Events	(/governor/contact/scheduling/)	Disclaimers
(/governor/admin/affordablehealthcare/index.shtml)		http://www.nj.gov/nj/legal.html	

Boards, Commissions & Authorities	Press Releases	Contact Us	Accessibility Statement
(/governor/admin/bca/)	(/governor/news/news/562020/governor-approved-contact-archive.shtml)	(/governor/news/contact.shtml)	(/www.nj.gov/nj/accessibility.html)
Internship Opportunities	Photos		
(/governor/admin/internship.shtml)	(https://www.flickr.com/photos/govmurphy)		
Public Addresses	Governor's Residence -		
(/governor/news/public-addresses.shtml)	(/governor/news/addresses)		
Drumthwacket	Executive Orders		
(http://drumthwacket.org/)	(/infobank/eo/056murphy/approved/eo_archive.html)		
	Administrative Orders		
	(/governor/news/ao/approved/ao_archive.shtml)		
	Direct Appointments		
	(/governor/news/appointments)		
	Advice and Consent		
	Appointments		
	(/governor/news/acappointments)		
	Statements on		
	Legislation		
	(/governor/news/statements/approved/statements_archive.shtml)		
	Administration Reports		
	(/governor/news/adminreports/approved/archive.shtml)		
	Transition Reports		
	(/governor/news/reports/approved/reports_archive.shtml)		
	Press Kits		
	(/governor/news/press)		

(/nj.gov/opra/)

Copyright © State of New Jersey, 1996-2023
Office of Governor PO Box 001
Trenton, NJ 08625
609-292-6000

(https://my.state.nj.us/openam/UI/Login)

(https://tech.nj.gov/)