

Governor Phil Murphy

Murphy Administration Releases Plan to Improve Health Care Affordability

03/30/2022

Plan Aims to Slow Rising Health Care Costs

TRENTON – The Murphy Administration today released a detailed description of its plan to improve health care affordability in New Jersey through a recently-launched program aimed at addressing rising health care costs. The Health Care Affordability, Responsibility and Transparency (HART) Program's plan sets targets for health care leaders to meet in regards to health care costs, in an effort to slow the unsustainable rate of growth.

"We established the Office of Health Care Affordability and Transparency and the HART Program to improve affordability and help curb rising health care costs," **said Governor Phil Murphy**. "Through continued collaboration with health care leaders across the state, this critical program aims to make health care more affordable for New Jersey families while promoting a more sustainable health care future for our state."

"This report presents a vision and a pathway towards a future in which high-quality health care can be more affordable and accessible for all New Jerseyans," **said Governor's Office of Health Care Affordability and Transparency Director Shabnam Salih**. "I am proud of this Administration's commitment to comprehensive health care affordability and the role of my Office in this important work. With the release of this blueprint, we will forge ahead with implementation of these critical next steps in close collaboration with New Jersey's health care leaders across industry and policy."

A survey

([https://urldefense.com/v3/__https://t.e2ma.net/click/7qaiug/fd1rrbm/jsjbsv__!J30X0ZrnC1oQtbA!cuNnoT2nxzUAAeN2XQBfZIZYjflXPO1gvCenTquufxV0AGibqRnUakLqtWZP8jZpraPg\\$](https://urldefense.com/v3/__https://t.e2ma.net/click/7qaiug/fd1rrbm/jsjbsv__!J30X0ZrnC1oQtbA!cuNnoT2nxzUAAeN2XQBfZIZYjflXPO1gvCenTquufxV0AGibqRnUakLqtWZP8jZpraPg$)) of 900 New Jersey adults conducted in 2020 found that more than three-quarters (77%) are worried about being able to afford health care. Over the past two decades, family premiums and employee contributions to premiums have increased at a far greater rate than household incomes.

In recognition of the hardship this disparity imposes on consumers, the Governor signed Executive Order No. 217 ([https://urldefense.com/v3/__https://t.e2ma.net/click/7qaiug/fd1rrbm/fdlbsv__!J30X0ZrnC1oQtbA!cuNnoT2nxzUAAeN2XQBfZIZYjflXPO1gvCenTquufxV0AGibqRnUakLqtWZP-L8cRDHAS\\$](https://urldefense.com/v3/__https://t.e2ma.net/click/7qaiug/fd1rrbm/fdlbsv__!J30X0ZrnC1oQtbA!cuNnoT2nxzUAAeN2XQBfZIZYjflXPO1gvCenTquufxV0AGibqRnUakLqtWZP-L8cRDHAS$)) in January 2021 to direct the development of a health care cost growth benchmark program – newly named the HART Program – to address the rising cost of health care in New Jersey. The program was then formally established when the Governor signed Executive Order No. 277 ([https://urldefense.com/v3/__https://t.e2ma.net/click/7qaiug/fd1rrbm/v5lsv__!J30X0ZrnC1oQtbA!cuNnoT2nxzUAAeN2XQBfZIZYjflXPO1gvCenTquufxV0AGibqRnUakLqtWZP_UgzlUFA\\$](https://urldefense.com/v3/__https://t.e2ma.net/click/7qaiug/fd1rrbm/v5lsv__!J30X0ZrnC1oQtbA!cuNnoT2nxzUAAeN2XQBfZIZYjflXPO1gvCenTquufxV0AGibqRnUakLqtWZP_UgzlUFA$)) in December 2021.

The HART Program was developed by the Interagency Health Care Affordability Working Group – led by Director Salih and consisting of representatives from the Department of Banking and Insurance (DOBI), Department of Human Services (DHS), Department of Health (DOH), Division of Consumer Affairs, and the Department of the Treasury – with guidance from an advisory group comprised of health care leaders and relevant stakeholders.

"The Murphy Administration's work to address health care costs is essential to ensuring equitable access to care for all New Jerseyans," **said Department of Banking and Insurance Commissioner Marlene Caride**. "The benchmark blueprint outlines the journey to increased transparency and accountability for health care spending, with the goal of making health care more affordable and sustainable for families, individuals, employers, and the state."

"The health and financial security of New Jersey families are continuously threatened by increasing health care costs," **said Department of Human Services Commissioner Sarah Adelman**. "This blueprint – created by bringing together health care leaders, businesses, and consumers – serves as a guide and our collective commitment to control cost growth, including state costs in our Medicaid program, to ensure more affordable care for New Jersey families."

"For many individuals, families and seniors, high quality, affordable health care remains out of reach," **said New Jersey Department of Health Commissioner Judith Persichilli**. "We now have a blueprint for increasing the affordability and accessibility of health care in New Jersey. We look forward to taking the next steps to making this a reality."

"Looking out for consumers and ensuring transparency in the marketplace is among the Division's top priorities," **said Sean P. Neafsey, Acting Director of the Division of Consumer Affairs**. "I am proud to be part of this collaborative initiative to examine health care costs around the state, and ensure every resident has access to affordable care."

"As New Jersey continues its recovery from the COVID-19 pandemic, access to quality, affordable health care has never been more important," **said State Treasurer Elizabeth Maher Muoio**. "The HART program represents a crucial step forward as we work to build to a healthier future for all New Jerseyans."

The blueprint released by the HART Program today lays out the target rate of growth for health care spending and explains the program's comprehensive approach to understanding the factors that drive costs. The program's approach encompasses collection and analysis of insurance, hospital, provider and pharmaceutical costs to track our state's progress in meeting these targets, understand cost drivers and identify strategies to help curb costs.

Various advocates, hospitals, health care providers, insurers, unions, employers, and other stakeholders across New Jersey have signed onto a compact

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For a copy of the HART Program Blueprint, please click here
(/governor/news/news/562022/docs/20220331a_Benchmark-Blueprint.pdf)

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