



Quality Institute Newsletter

A bi-weekly look at the Business & Politics of
Health Care in New Jersey



OCTOBER 11, 2018

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Schwimmer's
Script

A PRESCRIPTION FOR BETTER HEALTHCARE IN NEW JERSEY

Exclusive Look at Rising Health Care Spending in New Jersey

Not long ago, I was reading Niall Brennan's testimony to a U.S. Senate committee. You may recall that Niall was our keynote speaker at last year's Winter Conference, and we called him a "truth teller" for his powerful insight and data on rising health care costs. Niall, President and CEO of the [Health Care Cost Institute](#) (HCCI), calls rising health care spending unsustainable for families, businesses, governments — and our economy. Niall's testimony and data focused on an anomaly — a decrease in health care utilization, yet still an overall increase in health care spending. While some spending increases may be connected to innovations, such as new drugs and treatments, much is driven by increased costs for services.

I asked HCCI to explore what's happening in New Jersey. First, some background. The HCCI data covers

employee-sponsored insurance from four leading insurers: United Health Group, Aetna, Humana, and Kaiser Permanente. In New Jersey, the data covers 35 percent of people covered by their employers. HCCI adjusts the data so the population examined reflects the larger population of all people in New Jersey insured by their employers.

Here's what stood out to me in HCCI's exclusive analysis of New Jersey health costs from 2012-2016:

- Health care spending in New Jersey rose faster than the national average. While health care spending jumped 15 percent nationally, the New Jersey jump was 18 percent. That's a substantial difference. Our state has the [fifth highest](#) per capita spending.
- In New Jersey, inpatient utilization decreased to a greater extent (19 percent) than the national average (12.9 percent), which is good news — except that inpatient spending went up 12 percent overall because inpatient prices went up to 38 percent.
- HCCI dug into several specific areas of inpatient care and found spending per person for surgery in New Jersey jumped 20 percent; labor and delivery was up 17 percent; and newborn care soared 49 percent.
- Outpatient spending in New Jersey outpaced the rise nationally because there was an increase in both usage and prices. National outpatient spending rose 17 percent while outpatient spending in New Jersey jumped 19 percent. In New Jersey, lab and pathology increased 31 percent (compared with 14 percent nationally); emergency care rose 32 percent; radiology 18 percent; and outpatient surgery 7 percent.
- Drug prescription spending per person increased similarly in New Jersey as it did nationally. But that's not good news when we're talking about a 27 percent increase from 2012-2016. In New Jersey, the highest jumps were in drugs for skin conditions, at 93 percent; hormone drugs, at 67 percent; and cancer drugs, at 64 percent. Certainly there are examples of new and costly life-saving and life-changing drugs, but there also are many examples of price hikes in drugs that have existed on the market for many years.

We're thankful to HCCI for preparing this data, and I urge all of our members to explore the HCCI charts and share your own insight with us. For me, a key takeaway is that reducing avoidable utilization alone will not solve the problem of escalating spending. The data shows the main driver in rising employer sponsored health care spending has been the jump in prices. We now spend 17.9 percent of our gross domestic product on health care — twice what we spent in 1980. [The National Health Expenditure Projections](#) predict the percentage will be 19.7 by 2026.

At the Quality Institute, we're working to improve quality, safety, and affordability. To effectively address rising costs, we need to know the reasons behind the increases. Seeing the data and trends enables policymakers and purchasers to ask the right questions and plan more effectively.

We all need to be at the table willing to make compromises and changes for the benefit of a system we all rely on.

I urge the state and health plans to follow the lead of other states and pull the data together in an all payer claims database (APCD) — and then use that data to catalyze better-informed decisions to reduce health care spending. Recent news stories have captured bold moves using data for purchasing and planning decisions from Ohio to Montana to Massachusetts. Now it's New Jersey's turn.

View and download the HCCI charts [here](#).

Take Five with Toby Stark

Toby Stark is a Past President of the [New Jersey Association of Health Underwriters](#) (NJAHU), a consumer advocacy organization of professionals and brokers in the health insurance industry.

What is the biggest challenge for a small or medium size business in purchasing health insurance?

The cost is the challenge, especially for small companies of between two and ten employees. For them, it's very difficult. If you have premium increases of 12 to 15 percent each year, businesses can't increase their services or the products they sell by that much. It can be a real hardship. Some even decide to opt out.

So what's your advice for these employers?

I would say they should take a hard look at their benefits. I would tell businesses to look at what they one hundred percent have to do every month: pay the premiums. But they're not going to the emergency room a hundred percent of the time. So I might suggest a higher deductible and put in some type of reimbursement arrangement for employees to help cover the high deductible.

But it depends on the age group. Some older business owners don't want to play around with a higher deductible. So they will pay the higher premiums. So every situation is unique. There's a lot of education behind what plan to purchase. That's where we, and the brokerage community, help.



Open enrollment for the Affordable Care Act and many plans begins soon. How do you see the

current New Jersey health insurance landscape?

For individuals, we will see the cost-sharing reductions re-implemented for those eligible through the Affordable Care Act. You have people who can afford their premium but not the deductible or co-pay, even with a subsidized plan. And the premium increases originally predicted to be around fifteen to twenty-five percent are actually coming down to about five to seven percent.

And there are people in New Jersey who make more than 400% of the federal poverty level and, therefore, get no assistance. We have not made health care more affordable for them and they are struggling to pay the premiums.

How do you help those individuals trying to find insurance they can afford?

We literally have hundreds of individuals who call our office, especially during open enrollment, looking for other plan options when their premiums rise. We are certified to enroll people in the ACA and the first thing we do is determine if they are eligible for a subsidy. If they are very low income, brokers may guide them toward Medicaid for themselves or their children.

What can members of the Quality Institute do to get more people covered during open enrollment?

I think the individual mandate the governor (Phil Murphy) implemented is a good start to keep our population in New Jersey covered. Quality Institute members can help get the word out. The federal money to advertise the ACA and encourage people to sign up was significantly reduced and the enrollment period has shrunk to November 1 through December 15. So getting the word out is important. ... And as long as people are listening, I would urge them to get to their primary care provider for a check-up. It's like maintenance on your car. Neglecting your health eventually increases the health care spend, which increases health insurance premiums. Health insurance is a direct reflection of the cost of health care.

Upcoming Quality Institute Events

October 18th 8:30 – 10:00 AM: Quality Institute Southern Regional Membership Engagement Event hosted by Jefferson Health at Jefferson Cherry Hill Hospital. [Register now.](#)

October 25th 9:30 – 11:00 AM: Quality Institute Northern Regional Membership Engagement Event hosted by Atlantic Health System at Morristown Medical Center. [Register now.](#)

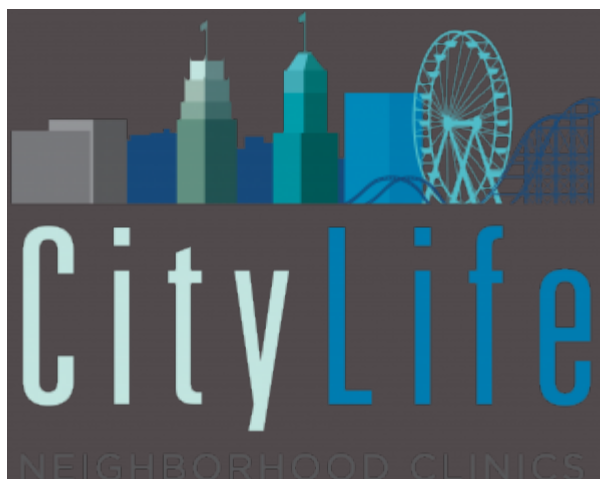
***November 13th – November 15th:** Quality Institute's Mayors Wellness Campaign at the NJ State

League of Municipalities in Atlantic City, NJ.

**Open to the public; all other events are for Quality Institute members and invited guests only. For more information about membership, please contact Virginia Tesser at vtesser@njhcqi.org.*

New Member

Please welcome our newest member, **CityLife Neighborhood Clinic**, which is an organization focused on providing value-based quality care in under-served communities. Focusing on Medicaid, they take an innovative approach to health by providing care coordination and health care in the community. Additionally, they embed clinics with extended hours in neighborhoods to serve as an access point for patients who would otherwise go to the emergency room, or who have complex health conditions that are challenging to manage without adequate resources.



Medicaid

As part of our Medicaid work at the Quality Institute, we're always seeking to learn about best practices that improve the health of Medicaid patients, including the use of standardized screening tools such as the Perinatal Risk Assessment (PRA). Family Health Initiatives, a subsidiary agency of the Southern New Jersey Perinatal Cooperation, led the development of the assessment tool. The tool, now a state requirement for Medicaid reimbursement, can help identify women at high risk to connect them to the best services. If you're a provider, we want to hear from you about this valuable tool and ask that you take this [short survey](#) to give us your feedback. You can learn more about the tool [here](#).

If you have questions, please contact Matt D’Oria at mdoria@njhcqi.org or Kate Shamszad at kshamszad@njhcqi.org.

The Quality Institute’s Medicaid work is funded by [The Nicholson Foundation](#).



Mayors Wellness Campaign

Bayhead Borough’s Mayors Wellness Campaign (MWC) town demonstrated the Nature and Wellness tool of the MWC toolkit by hosting its final weekly Twilight Lake Sunset Paddle of the summer on Sunday Oct. 7th. Mayor Curtis took the lead on the last outing of the summer to show his residents the importance of exercise and health within his community. Learn more about how mayors engage their communities by [visiting the MWC toolkit](#), which houses over 30 unique resources for mayors to help them keep their communities healthy.



Conversation of Your Life



Conversation of Your Life hosted a panel discussion at the Bernardsville Public Library on September 25th.



Have questions about the MWC or COYL? Connect with Adrian Diogo at adiogo@njhcqi.org or Adelisa Perez at aperez@njhcqi.org.

COYL is a Mayors Wellness Campaign program that focuses on engaging communities in fruitful dialogue – the Conversation of Your Life – to let individuals' family, friends, and doctors understand and respect their end-of-life wishes through advance care planning.

COYL is generously supported by [The Horizon Foundation for New Jersey](#).

Quality Institute in the News

10.8.2018 | *ROI-NJ* | [ROI-NJ Reveals First-Ever Health Care Influencers List](#)

The Quality Institute congratulates those named on the first ROI-NJ Health Care Influencers list, especially our own President & CEO, Linda Schwimmer, board members Heather Howard and Christine Stearns, and many of our Quality Institute members. [Read the full list.](#)

Shout Outs

Congratulations to Dr. Omar Baker of Riverside Medical Group, a Quality Institute member organization, for receiving a 2018 Distinguished Citizens Award at the gala hosted by Hackensack Regional Chamber of Commerce. [Read the full story.](#)

Kudos to Saint Barnabas Medical Center and West Essex YMCA for teaming up to promote community health in under-served areas. [Read the news article.](#)

Congrats to Jersey City Medical Center for announcing Michael Prilutsky as its new President & CEO effective October 1st. [Read the full story.](#)

Cheers to our member Trinitas Regional Medical Center for officially opening its new Breast Cancer Center on October 1st. This new facility will provide screening, diagnosis, and treatment for women, regardless of financial status. Way to go! [Read news article.](#)

Industry Events

10.11.2018 | [NJSNA/IFN 2018 Professional Summit: The Future of the Nurses Role In the Health Care System and Health Care Disparities.](#)

Linda Schwimmer, Quality Institute President & CEO will be participating in a panel today entitled, Nursing Leadership in the State of New Jersey. Learn more [here](#).

10.15.2018 | [The 2018 Top 25 Leading Women Intrapreneurs \(LWE\) Event](#) . At this event, LWE will honor the innovators in corporate environments who support diversity efforts, including Saira Jan from Rutgers State University/Horizon Blue Cross. See full list of honorees [here](#).

11.08.2018 | [68th Annual Roy A. Bowers Pharmaceutical Conference.](#) Join Linda Schwimmer, Quality Institute President and CEO as she moderates the panel, "Government Programs: Priorities, Legislative Impact and Other Areas of Focus Transitioning to Value-Based Care.

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National Partnerships

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Health Matters Poll
Mayors Wellness Campaign
Medicaid 2.0
QI Collaborative
The Leapfrog Group



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