

NJ Health Care Affordability, Responsibility, and Transparency (HART) Benchmark Program Implementation Advisory Group

August 23, 2023, Meeting Summary

This summary presents highlights from the August 23, 2023, virtual meeting of New Jersey’s HART Program Implementation Advisory Group, which was created pursuant to Executive Order #277 to provide expertise, input and guidance on implementation of the state’s health care cost growth benchmark program. At its third meeting, after introductions and a review of Administration-wide health care access and affordability initiatives, the group was briefed on progress of the launch of the first round of Benchmark data collection underway. Following the update, there was a preview of plans for the first-round of Cost Driver analyses. Along with selected data collection process and timeline clarifications, the group discussed wanting to make sure that both the Benchmark and Cost Driver analyses were reflective of a range of contextual considerations and factors underlying cost growth trends. Below are some highlights from the discussions.

Welcome and Review of Administration Progress on Access and Affordability Initiatives

After welcoming the group and expressing appreciation for ongoing engagement with the HART program, Shabnam Salih (New Jersey Governor's Office of Health Care Affordability and Transparency) introduced the Mathematica program team, responsible for managing the data collection and reporting for the State. Shabnam then highlighted Administration programming focused on improving health care access and affordability within the state, including specific initiatives focused on addressing affordability, oversight and price transparency of prescription drugs and helping to relieve medical debt among New Jersey consumers.

Review of HART Program Goals and Workstreams and Benchmark Progress

Acting Commissioner Justin Zimmerman (New Jersey Department of Banking and Insurance (DOBI)) initiated discussion of HART Program progress and plans with a reminder of the overall program goals and the two workstreams designed to help achieve those goals (see below).

The Benchmark workstream focuses on establishing a target rate of growth for health care spending and tracking and reporting progress on meeting that target.

The Cost Driver workstream focuses on understanding factors underlying spending growth and helping point to strategies to address that growth.

NJ HART Program and Workstreams

- NJ HART Program is tasked to:
 1. Establish and maintain a target rate of growth for health care spending
 2. Track and report on progress in meeting that target
 3. Shed light on factors driving spending growth
 4. Point toward strategies to curb spending growth

- Two data collection and analysis workstreams act in parallel:
 - Benchmark Analysis addresses (1) and (2)
 - Cost Driver Analysis addresses (3) and (4)

Acting Commissioner Zimmerman noted that the current Benchmark data collection effort, launched in June, is focused on 2018-2019 spending, and set to be reported in spring 2024, focusing on the state and market levels only (not reported at the payer and provider levels).

Acting Commissioner Zimmerman reminded the group that, along with their feedback, significant input was solicited from a series of meetings of the Technical Subgroup to prepare for the data collection launch. The launch was accompanied by issuing a detailed guide and template (available on DOBI's website), holding an informational webinar for carriers, sending notifications to selected providers on data collection plans, and responding to a series of stakeholder questions. Justin reminded the group that the Benchmark's first round was designed as a "reporting only" year and will not be measured against a target. Group members asked for clarification on the year one timeline and about who specifically within provider organizations was designated to receive notifications related to data collection.

Before turning to the Cost Driver workstream, Acting Commissioner Zimmerman turned to Aaron Swaney from the Mathematica team to provide an overview of the upcoming "must pass" checks and validation steps involved in clearing submitted benchmark data. Phil Gennace (DOBI) then pointed to various sources of HART program information, including the [Rutgers](#) site for overall program information, the [DOBI](#) site for technical documents and SharePoint site for carriers.

Updates on Cost Driver Workstream Progress and Plans

Joel Cantor (Rutgers Center for State Health Policy) then pivoted to discussion of the Cost Driver workstream, reminding that this analysis is aimed at understanding spending patterns and informing strategies to curb costs. Joel described the Cost Driver work as creating a "shared evidence base" for dialogue about drivers and solutions. He then turned to Marian Wrobel (Mathematica) to dive into more details around the Cost Driver plans. Marian echoed the role of these reports in informing both conversations about factors contributing to spending growth and strategies to address them. Marian first described the role of regular, annual cost trend reports in examining broad patterns and trends, then, delving into those trends. Marian also discussed special topic reports, involving deeper dives into selected cost drivers, and landscape reports which track trends in access, affordability, equity, and quality to help ensure New Jersey maintains a high-performing health system throughout its affordability efforts. She noted that this will be a body of work that "builds" over time. Stemming from advisory group suggestions, outmigration will be the focus of the first special topic report, which will examine the share of spending for out-of-state care, what services and which patients are most likely to seek care beyond NJ's borders and implications for costs. Marian also showed sample analyses and reports.

Questions focused on ensuring that the underlying data used for the out-of-state care analysis was comprehensive, and that Cost Driver work included examination of the role of both utilization and price, which Marian noted as a "critical dimension" of the analysis. Other members spoke of the importance of landscape analyses including a range of factors, including impacts of payer behavior, such as increased denials. Lastly, along with wanting to understand when providers would be identified for the next round of Benchmark analysis, members also wanted to ensure that the focus on trends did not inadvertently penalize high-value systems that might be starting from a lower spending point. Marian nodded to the concern, noting the importance of pairing any results presentation with "careful interpretation."