EXECUTIVE ORDER NO. 217

WHEREAS, access to quality health care is critical to the physical, mental, and economic well-being of the residents, families, communities, and businesses in the State; and

WHEREAS, New Jersey has taken important steps to improve access to quality and affordable health insurance for our residents under the Affordable Care Act, including by establishing a State-based marketplace, a reinsurance program, and a shared responsibility requirement, implementing out-of-network reforms, and providing eligible residents with additional financial subsidies in addition to federal subsidies when purchasing coverage on the State-based marketplace; and

WHEREAS, health care and prescription drug cost growth continue to be a challenge for New Jersey residents, families, and employers, including the State, and threaten to outpace the growth of the State's economy and wages; and

WHEREAS, the steadily increasing costs of health care and prescription drugs have limited access to quality health care for lower- and middle-income citizens and elderly citizens alike; and

WHEREAS, the novel Coronavirus disease 2019 (COVID-19) pandemic and the economic fallout it has caused have underscored the importance of equitable and affordable access to quality health care services, treatments, and prescription drugs, while also highlighting inequalities in health outcomes and critical disparities in health care and coverage access, particularly with respect to minority communities and the underserved; and

WHEREAS, at a time when many of our residents have been impacted by job loss and housing and food insecurity, access to more affordable health care has never been more critical; and

WHEREAS, planning for improved consumer affordability, health care quality, integration of health care delivery, reform of payment systems to reward value, cost transparency, and taxpayer savings, achieved through coordination among State agencies, is essential to effectively manage costs and improve health care delivery; and

WHEREAS, in 2020, the Office of Health Care Affordability and Transparency was formed to help guide my Administration's work on health care affordability and price transparency; and

WHEREAS, the Office of Health Care Affordability and Transparency works with the Departments of Banking and Insurance, Health, Human Services, and the Treasury to advance affordability, accessibility, and transparency in the health care system; and

WHEREAS, there is a growing recognition that efforts to advance affordability, accessibility, and transparency in the health care system are aided and informed by incorporation of whole-person systems change, and that alignment of alternative payment models can improve quality and reduce the cost of care; and

WHEREAS, in recognition of the fact that this is a transformative moment for health care in our State, a comprehensive review of health care access, affordability, and transparency is necessary to identify and align health care affordability goals and policies that will be shared by the public and private sectors to improve the health care system for all residents; and

WHEREAS, such a review should be conducted by State officials and stakeholders who represent a variety of perspectives and who have the expertise to develop innovative solutions; and

WHEREAS, the establishment, monitoring, and implementation of an annual health care cost growth benchmark and health insurance affordability standards are appropriate means to achieve the goal of improved health care quality at reduced cost; and

WHEREAS, through the development of a plan to collect and use health care cost, quality, and outcome data, the State can implement strategies to contain growth in health care costs and promote better health quality and health outcomes;

NOW, THEREFORE, I, PHILIP D. MURPHY, Governor of the State of New Jersey, by virtue of the authority vested in me by the Constitution and by the Statutes of this State, do hereby ORDER and DIRECT:

1. There is hereby created an Interagency Health Care Affordability Working Group ("Working Group") that will report directly to the Office of the Governor.

2. The Working Group, which shall be advisory in nature, shall be chaired by the Director of the Office of Health Care Affordability and Transparency in the Office of the Governor.

3. In addition to the Director of the Office of Health Care Affordability and Transparency, the Working Group shall consist of the Commissioner or other agency head of the following Executive Branch departments and agencies, or a named designee:

a. The Department of Banking and Insurance;

b. The Department of Human Services;

c. The Department of Health;

d. The Division of Consumer Affairs; and

e. The Department of the Treasury.

4. The Working Group shall organize as soon as practicable and shall convene as often as practicable and as requested by the Governor or chairperson.

5. Within one month of the date on which the Working Group organizes, the Working Group shall make recommendations to the Governor regarding State officials and other public members to serve on a Health Care Advisory Group ("Advisory Group"). The objective of the Advisory Group is to advise the Working Group on the development and implementation of an annual health care cost growth benchmark. The Advisory Group shall be advisory in nature and shall provide recommendations to the Working Group as deemed appropriate by the Working Group. The Advisory Group shall be primarily responsible for providing advisory and consultative guidance on the development and implementation of the health care cost growth benchmarks and related Workgroup recommendations and actions. All members of the Working Group and Advisory Group will serve without compensation and at the pleasure of the Governor.

6. The Working Group is authorized to call upon any department, office, division, or agency of this State to supply it with data and any other information or assistance available to such agency as the Working Group deems necessary to discharge its duties under this Order. Each department, office, division, or agency of this State is hereby required, to the extent not inconsistent with law, to cooperate fully with the Working Group within the limits of its statutory authority and to furnish it with such assistance on as timely a basis as is necessary to accomplish the purposes of this Order. The Working Group may consult with experts or other knowledgeable individuals in the public or private sector on any aspect of its mission.

7. The Department of Banking and Insurance shall provide staffing for the Working Group to the extent permitted by law and within existing appropriations.

8. The objectives of the Working Group shall include, but not be limited to, the following:

a. Developing and recommending policies to improve health care affordability, accessibility, and transparency for all New Jersey residents;

b. Recommending the development and coordination of programs and policies of the participating departments as needed to support health equity for all New Jersey residents, including leveraging the learnings from the Department of Human Services' initiatives in innovating payment and delivery in the Medicaid program;

c. Leveraging the State's existing data resources and identifying strategies for enhancing and integrating State data resources, as permitted by applicable law, to develop cost-growth benchmarks to foster accountability and contain health care costs and to utilize the data to identify cost drivers to inform strategic and collaborative action by members of the Working Group and Advisory Board and other relevant stakeholders throughout the State that will support cost growth benchmark attainment; and

d. Supporting the policy initiatives of departments encouraging and implementing delivery reform, integrated whole-person care, and cost-effective payment initiatives.

9. The Department of Banking and Insurance shall prepare and deliver to the Working Group a final report containing proposals for the development and implementation of cost growth

benchmarks and health insurance affordability standards that will be applicable to both insurers and providers operating in the State's health care market within nine months following the organization of the Working Group, as provided in this Order. The report shall be made available to the public at the same time. The report shall include a plan under which the State can implement cost growth benchmarks and health insurance affordability standards by January 1, 2022, and shall identify all policy and legislative changes needed to effectuate cost growth benchmarks and health insurance affordability standards.

10. The Division of Consumer Affairs and the Departments of Banking and Insurance, Health, Human Services, and the Treasury may consult with experts or other knowledgeable individuals in the public or private sector on any aspect of its mission outlined in this Order.

11. This Order shall take effect immediately.

GIVEN, under my hand and seal this 28th day of January, Two Thousand and Twenty-one, and of the Independence of the United States, the Two Hundred and Forty-Fifth.

[seal]

/s/ Philip D. Murphy

Governor

Attest:

/s/ Parimal Garg

Chief Counsel to the Governor