White Paper:

The Need for and Strategies toward Affordable Health Care in New Jersey

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Executive Summary

This white paper discusses recent trends in the need for greater affordability of health care for all, especially lower-income, residents, in New Jersey and the universal need to reduce costs. This need is amplified by the dramatic increase in healthcare costs as well as the increase in New Jersey's population with its diverse health care needs. While the Governor and Legislature have made notable efforts to lessen this challenge, more needs to be done to keep New Jersey residents healthy and productive without economic hardship. However, with a range of entrenchment policies emerging from Washington and Trenton, the need for New Jersey to step up in support of its population and economy becomes even more urgent.

Despite the budgetary cuts on state and federal levels, this paper outlines selected sources of costs that can be mitigated through inexpensive examination and proactive preventative measures. These include evidence-based approaches to improving access to health care**.** Universal support among all stakeholders can easily get behind these measures regardless of affiliation.

Lack of affordability and access are sometimes used interchangeably here. That is because they can produce the same result for lower-income, uninsured individuals. Neither is necessary nor sufficient alone. That said, affordability will often determine accessibility while the reverse is not true.

Several of these recommended best practices for enhancing health care affordability and access place the burden of implementation on the provider and ultimately the individual, thus avoiding a direct cost to government. However, strategic and focused public policy can provide valuable incentives for achieving such practices.

Introduction

Over the past decade, employers have independently installed health management programs designed to improve the health of their staffs and their families. This strategy has led to the mitigation of increasing health care expenditure trends and improve productivity. (Musich, et al, 2016). This practice can be scaled statewide. That said, while certainly a positive development, not everyone can obtain coverage through an employer. However, personalized health care practices, regardless of origin, can have long-term, positive effects that can benefit the individual, and ultimately, the state with little, if any financial investment.

Chronic diseases typically comprise most infirmities and their broader consequences in the United States. These are the leading drivers of health care costs. (CDC, 2024). However, this paper argues that these

costs, and, indeed, their underlying health drivers, can be lessened for the State of New Jersey at little, if any new additional cost.

Health care affordability has a direct impact on the health of individuals and ultimately the entire state. Affordability determines whether people can get the care they need, “like insulin to manage their diabetes or following up on a mammogram. If those are too costly, people will delay or skip care, which has significant impacts down the line on both health outcomes and cost” (Sobotko, 2024).

Common But Preventable Diseases

In fact, studies show that “ninety percent of the nation's $4.5 trillion in annual health care expenditures are for people with chronic and mental health conditions” (CDC, 2024). As an example, nationally, obesity affects 20% of children and 42% of adults, putting them at risk of chronic diseases such as type 2 diabetes, heart disease, and some cancers” (Stierman, et al, 2021). According to this study (2021), “Just over 1 in 3 young adults aged 17 to 24 are too heavy to join the U.S. military. Obesity costs the U.S. health care system nearly $173 billion a year”. While causes and treatments remain subject to discussion, reducing this sum of expenditures is worth examining (2021).

Tooth decay is one of the most common chronic diseases in the United States. According to the CDC, “One in six children aged 6 to 11 years and 1 in 4 adults have untreated cavities” (2019). Untreated cavities can lead to a range of adverse health conditions. An average of 34 million school hours are lost each year due to emergency dental care, and an estimate of $46 billion is lost in productivity due to dental disease (Righolt A.J., et al, 2018, Naavaal, et al, 2018).

Studies show that cigarette smoking leads to at least one disease for over 16 million Americans (Lushniak, B., et al, 2014). According to Xu, et al (2021) “This amounts to more than $240 billion in health care spending that could be reduced every year if we could prevent young people from starting to smoke and help every person who smokes to quit”. Adjusted for scale, this would certainly help the cost structure in New Jersey, potentially helping to lessen the current structural deficit in New Jersey’s budget through a reduction in Medicaid, disability, and related costs for the state.

Alcohol abuse is a leading cause of unnecessary deaths nationwide. The term “unnecessary” places emphasis on the position of this paper that proactive public policy through education campaigns that enlist community stakeholders can help to alleviate the related costs to the lives of New Jersey residents and ultimately New Jersey taxpayers. According to Esser, et al (2024), “Excessive alcohol use is responsible for 178,000 deaths in the United States each year, including 1 in 5 deaths among adults aged 20 to 49 years”. Binge drinking is responsible for over one-third of these deaths. In 2010, “excessive alcohol use cost the U.S. economy $249 billion, or $2.05 a drink, and $2 of every $5 of these costs were paid by the public” Esser MB, Leung G, Sherk A, et al. (2022). In addition, “estimates that three-quarters of deaths among US adults aged 20 to 64 years, 2015 to 2019 can be ascribed to binge drinking. Additionally, the CDC reports that excessive alcohol consumption cost New Jersey taxpayers $6.175 billion in 2010 alone according to a recent report. When adjusted for inflation, this amount equals $8.337 billion when adjusted for inflation” (2022).

Other estimates indicate that the economic burden of drug and alcohol abuse in New Jersey is estimated to be over $6.5 billion per year, with most of these costs resulting in lost productivity in the workplace. (New Pathway Counseling, Incorporated, n.d.)

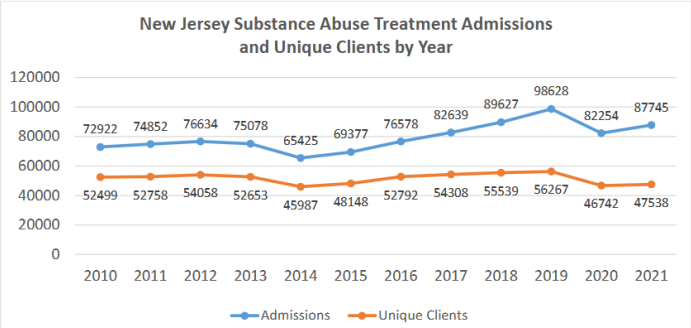
The following table shows the alcohol-related deaths for New Jersey between 2020 and 2021. These statistics impact the welfare of the deceased victims, their immediate relations and ultimately related health costs of the state.

Harmful Effects Summary*			
	Overall	**Males**	**Females**
Chronic Causes	2,323	1,425	898
Acute Causes	1,253	955	298
Total for All Causes	**3,576**	**2,380**	**1,196**

Source: Alcohol Related Impact for New Jersey (ARDI) - CDC, 2024 *Deaths

The opioid crisis has had a devastating impact on New Jersey, resulting in an alarming increase in overdose deaths. Studies show that there were 1,830 opioid-related overdose deaths in New Jersey in 2018 — a 13% increase from the previous year and more than double the number of overdoses reported in 2014. In 2020, drug overdose deaths in general numbered 32.1 per 100,000 (New Pathway Counseling, Inc., n.d.)

New Jersey Substance Abuse Treatment Admissions Trend 2010-2021



Source: Department of Human Services, State of New Jersey
https://www.nj.gov/humanservices/dmhas/publications/statistical/Substance%20Abuse%20Overview/2021/statewide.pdf

Why it Matters

These conditions have obvious implications for the social and economic health of New Jersey and are arguably amenable to preemptive treatment at much lower cost to taxpayers, the state's economy, and, most importantly, to the affected individuals. Strategic public policy can be an effective catalyst in providing incentives for such treatment as well as improved lifestyles through targeted education.

With the population of New Jersey growing, this can bring a new burden or new prosperity with it, depending on how proactive public policy is in promoting the health of this new work force. The State of New Jersey website reports that as for the year to date, New Jersey is experiencing "record-levels of growth including the largest number of jobs and employers to date; and the largest population in the state's history. New Jersey now leads the Northeast in year-over-year population growth rate with the

number of residents climbing to an estimated 9,500,851, according to the latest data from the U.S. Census Bureau. This represents an increase of 1.3% or 121,209 from 2023" (State of New Jersey, 2025).

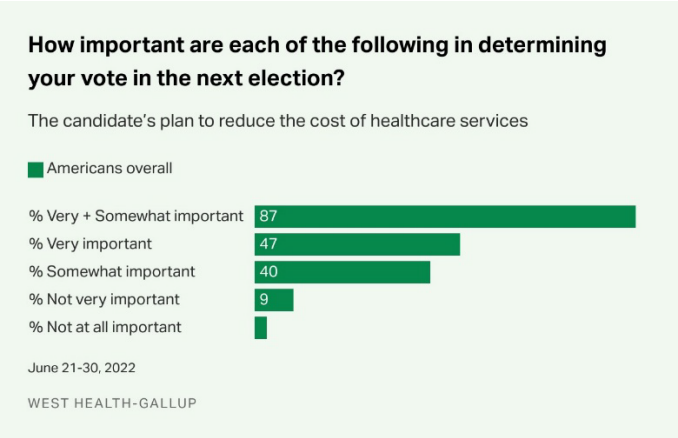
To ensure sustainability of this auspicious growth in strategic public policy, new, forward-looking initiatives must take a proactive approach toward continued health care for New Jersey residents. Adding to the burden of increasing health care costs in the state is the fact that New Jersey is home to "1.4 million poor and low-income eligible voters who make up 16.77% of the electorate." (Poor Peoples Campaign, 2024).

The State Health Assessment Data of the New Jersey Department of Health shows that as of 2022, 598,984 New Jersey residents lacked health care. (State of New Jersey, 2022)

According to the New Jersey Health Care Quality Institute, seventy-five percent of New Jerseyans report that they are "either 'somewhat' or 'very' worried about the cost of health care services and unexpected medical bills, while more than 6 in 10 are 'somewhat' or 'very' worried about their monthly health insurance premium and prescription drug costs". Deductibles and premiums have far outpaced both wages and inflation, leaving households struggling to pay for care. These data were gathered in partnership with a Rutgers-Eagleton Poll published in May 2024. (2024)

An October 20, 2022 Gallup Poll finds that, "Nationally, the resulting importance of the health care affordability conundrum elevates it to where 39% of voters say they would cross party lines to vote for a candidate who makes it their top priority". (2022)

The chart below from Gallup shows the scaled ranking by percentage of respondents of the importance of health care costs.

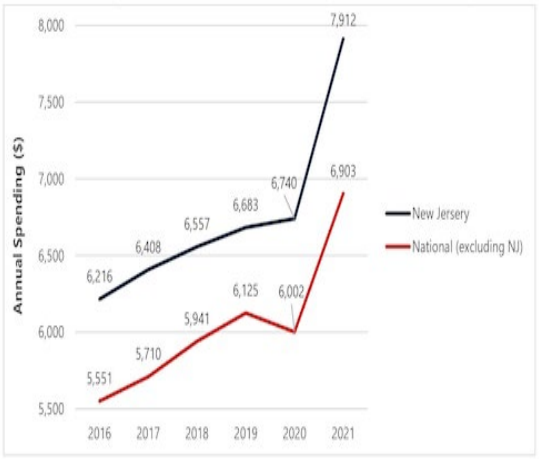


Source: West Health-Gallup (2022)

According to Gallup, “Black and Hispanic Americans are also much more likely than White Americans to report that a candidate's plan to reduce the cost of healthcare services is very important in determining their vote. Sixty-five percent of Black and 60% of Hispanic Americans say this, compared with 41% of White Americans. Women are slightly more likely than men to say reducing costs is very important to their vote.” (52% compared with 43%, respectively) (2022). Gallup also finds that “77% of Republicans say this issue is very or somewhat important in determining their vote, along with 85% of independents and 96% of Democrats.”(2022)

New Jersey per-person health care spending is above the national average. According to Mathematica, in 2021, ‘New Jersey’s per-person spending was $659 per month, or $7,912 per year, which was 15% higher than the national average of $6,903 per year.” Mathematica analysis of HCCI claims, 2016–2021 (2024)

Exhibit ES.1. Average annual total health care spending per person in New Jersey, 2016–2021



Source: Mathematica analysis of HCCI claims, 2016–2021.

Additionally, a widespread lack of cultural competency can complicate this issue. A person of color may experience this when seeking medical services can dissuade entire communities from pursuing health care, with word-of-mouth anecdotes about racially biased interactions with health care professionals instilling fear and anxiety. This is a critical issue in New Jersey.

Recommendations

Selected examples of how lack of sufficient health in New Jersey produces social and economic impacts for the state and its residents are identified below. Most important, these conditions can be lessened or even avoided with cost-effective public policy. New Jersey often leads the nation in innovation and effective citizen advocacy measures. The achievement of a substantial reduction in health care costs would be another opportunity for the state to lead the nation. This can be done primarily through innovative policies leading to impactful legislation.

In the current environment of cutbacks in public funding, these recommendations do not necessarily require a net increase in funding. Rather, they can be met with a judicious reallocation of existing funds. For example, strategically targeted education campaigns and negotiation with insurance companies, drug companies, and providers can lead to efficient as well as more effective use of funds.

While preventive health care entails up-front expenses, long-term expense can be reduced for individuals, taxpayers, and the state. For example, MD-Value in Prevention (MDVIP) is a network of affiliated primary care physicians who utilize a model of health care delivery based on an augmented physician-patient relationship and focused on personalized preventive health care. According their 2016 study, “The underlying premise of the model is that the focus on prevention and wellness and the additional time, attention, and access to physicians (ie, higher quality of care delivery) will lead to better health status, lower emergency room (ER) visits and hospital utilization, and ultimately lower health care expenditures”(2016)

Incentives can be provided for reducing overhead costs. For example, with recent advancements in technology, New Jersey can leverage various types of automation, reducing such costs as well as time.

For example, by applying, Workday to assess business risks, compliance regulation compliance and risk mitigation can be automated. This can provide a competitive edge and help "improve control operations, ultimately showing a commitment to innovation while freeing up more time to focus on patient care" (PwC, n.d.).

The University of Southern California recommends the following evidence-based approaches that can improve access to health care:

- **Expand Insurance to Cover Health Care Costs**

  One major effort to expand insurance coverage and access to health care in the U.S. has been the expansion of Medicaid. This process, while complex, has increased health care accessibility for many. By January 2020, 35 states and the District of Columbia had expanded Medicaid. The result? Adults ages 18 to 64 years old living in Medicaid expansion states were more likely to be insured, more likely to have private insurance and more likely to have public coverage compared to adults living in non-expansion states, according to The National Center for Health Statistics.

- **Extend Telehealth Services**

  Telehealth provides remote access to physicians and other medical service providers to patients without a physical clinic in their area. Through videoconferencing and cloud-based data, doctors can communicate across large geographic distances to better coordinate care for patients. In rural areas, telehealth allows small-town doctors to connect their patients with specialists to help them provide better overall care. Once the technology is in place, it's also a more affordable option for those facing cost concerns. It can eliminate the need to travel to the doctor for routine checks, giving patients the power to connect remotely for these checkups.

- **Invest in Mobile Clinics**

During the COVID-19 pandemic, many states deployed mobile clinics built inside of vans and trailers to rural areas — providing testing and treatment resources for communities with limited access to health care services. Patients were able to drive up to these clinics and seek care while staying inside their vehicles.

- **Educate the Public About Multiple Health Care Sites**

This requires an understanding of the different services provided at primary care facilities, urgent care facilities, and emergency rooms.

In addition, the following points can be practiced by providers at the point of care.

- Improve Cultural Responsiveness.

- Health care providers can take additional steps to ensure the comfort and well-being of their patients by getting to know their patients as people; at the beginning of a visit, providers should ask questions in a warm tone and offer opportunities for patients to share their concerns in a safe environment.

- In addition, care facilities can take measures to expand translation services, as needed, for areas with bilingual and trilingual populations.

An obvious recommendation here would be an expansion of state eligibility parameters of Medicaid eligibility for those meeting the established criteria. (USC, 2023)

"**Public Health Infrastructure:** Investment in public health infrastructure, such as clean water systems and sanitation, to prevent disease outbreaks. This is an excellent preventive practice and should be included among public health best practices." (Department of Health and Human Services, n.d.)

"**Health Education:** Implementation of public health education programs to promote healthy behaviors and decision-making can be one of the most effective methods for instilling health life practices. This can often take the form of campaigns like anti-smoking campaigns, nutritional education programs, and exercise." (Regis College, n.d.)

"**Environmental Protection:** Public policy can enhance public health through community engagement, data collection, scientific research, laws and regulations, enforcement, and making vital information and guidance available to the public." (Act for Public Health, n.d.)

"**Community Engagement:** Involving communities in the planning and implementation of public health programs to ensure that they are relevant and effective. This point is closely related to the issue of adequately funding county departments of health. Unrestricted block grants made to local counties are amenable to effective targeting of needs that are unique to particular counties." (Stover, et al, 2024).

The preceding list of recommendations can all operationalize better partnerships between local health and healthcare partners (i.e., for screenings and locating clinics where the people are. The mobile clinics mentioned above can play a big role in making this possible.

Public health needs to take a fresh approach — one rooted in fairness and inclusivity. Picture this: a world where equity isn't just a buzzword, but a guiding principle. Communities are at the heart of decision-making and actively shaping their health, not being sidelined. Public health's future is all about teaming up — joining forces with unexpected partners from different sectors and centering community voices. This future is about tearing down barriers, not just fixing problems but preventing them altogether. It's making sure every person has access to the support and care they need for a healthier life." (APHA, 2025)

A healthy population means a healthy economy and state. Just as New Jersey was the first state to enfranchise women (Museum of the American Revolution, n.d.) and as New Jersey was the first state to legislatively abolish the death penalty since 1965 (Death Penalty Information Center, n.d.) and the second of two states to ban child marriage. (UNICEF, 2018).

Conclusion

Together, we can put New Jersey at the forefront of leading the nation in promoting a healthier population by implementing the best practices outlined here. To an extent, these practices depend on public funding but more importantly, depend on educational outreach, greater proactive information campaigns by providers, an expansion of drug price negotiation beyond Medicare and healthier life practices by New Jersey residents. Prevention is always less expensive than intervention.

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