March 7, 2016  
Senate Commerce Committee @ 1pm

* Good afternoon Senators. I’ve heard a lot of recent talk about health insurance. The debate so far has been about tiers, about products, about hospitals, about insurance companies, about doctors, and about profit margins.
* What haven’t I heard a lot of talk about? Consumers.
* Consumers need to be our main focus. I won’t accept anything less.
* That is why I was proud to lead the way last year on patient-centered health plans that improve care while reducing costs for unions, businesses, families, and everyday consumers.
* My idea is all about giving consumers a choice. A choice to focus care through your primary care doctor, who typically knows you the best and who knows how to manage your care the best. This increases the quality of care because doctors are rewarded based on outcomes – not on the number of services, tests, or bodies they bring in the door. Consumers benefit with more choice, better quality and lower cost. Value based care helps all consumers.
* Just this week, the Robert Wood Johnson Foundation released a study with Harvard University finding that 3 out of 5 New Jersey residents say that health care costs are a “major” problem for their families.
* I want to thank the health care systems in New Jersey that also are moving away from “volume” based care – to name just a few, Barnabas, Hackensack, Hunterdon and in my backyard Inspira health care systems.
* And this should serve as a wake-up call to those that are not: we can no longer afford a health care system that rewards the number of patients who enter a hospital or doctors’ office -- almost like a sports team is rewarded for bringing fans into the stadium. The idea is to keep patients out of the hospital, not to bring them in.
* Consumers expect no less. So I applaud giving consumers the choice of products aimed at improving care and reducing costs.
* So I stand with the trade unions, public employee unions and business groups that have told me – both publicly and privately – that tiered products, whether they are offered by Horizon, Aetna or others, are positive alternatives to high-deductible plans for consumers.
* At the same time, we need to make sure New Jersey law has protections in place for all consumers that are focused on transparency. Although I will oppose any bill that threatens a consumer’s choice to increase quality and drive down costs, I will support reform if it includes the following:  
  + Consumer Transparency for Insurance Companies: I support requiring insurance companies to disclose the criteria they use in developing tiered products. I also support requiring insurance companies to fully educate consumers about their cost share obligations. I don’t believe this type of transparency will hurt any current products, increase cost, or threaten consumer choice.
  + Consumer Transparency for Physicians: If you go to get your car repaired, the mechanic has to tell you what you’re going to be charged. But when you go to a physician’s office, it’s nearly impossible for a consumer to find out what he or she has to pay, which is really important when you have a health plan with deductibles. There needs to be greater transparency in physician costs and any bill should include this.
  + Consumer Transparency for Hospitals: I am issuing a letter today to each one of New Jersey’s hospitals asking immediately for information on hospital profitability. I expect a response in 2 weeks. I’m not talking about earnings – I’m talking about pure profit. The national average for hospital profit is approximately 2.5% -- but here in New Jersey we have hospitals like Valley in Ridgewood and Virtua in Voorhees with double digit margins – not to mention for-profit hospital systems like CarePoint that are ripping off New Jersey consumers. Carepoint has a hospital that has the highest billing rates in the United States of America, according to the New York Times. This is outrageous.
* If we’re going to talk about the true cost of health care, let’s talk about all aspects of health care delivery. To be clear, I will only support legislation that includes all of these transparency reforms across the board.
* Ladies & gentlemen, we are in a new world. The rising cost of health care in New Jersey, which has the second highest premiums in the United States, is killing consumers, unions and businesses. This is why every single one of those groups support a move to value based care. So we need to shift our focus away from an academic discussion of tiers, and metrics, and benchmarks. We need to stop all the lawsuits, press conferences and Public relations campaigns going on – and return the focus now to where it should have been all along: the cost of health care to the New Jersey consumers. This means promoting transparency, choice, quality and a reduction in costs.
* Not only does the Legislature need to protect the consumer, we also need to protect the consumer from the Legislature -- because we cannot advance any measures that ultimately threaten consumer choice in the marketplace and drive up costs. A number of hospitals, businesses, unions and insurance companies are working together to try to lower cost and increase care, and that’s a good thing. We have a tendency in this building to respond to the groups that bang their pots & pans the loudest and sometimes we lose sight of our true constituency: the New Jersey consumer.
* I look forward to a healthy discussion in the upcoming months and want to work with the Committee for reform I can support before July 1st.