



**State of New Jersey**  
DEPARTMENT OF BANKING AND INSURANCE  
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PHIL MURPHY  
*Governor*

MARLENE CARIDE  
*Commissioner*

SHEILA OLIVER  
*Lt. Governor*

*Via Electronic Email*

June 23, 2023

*Re: New Jersey Health Care Affordability, Responsibility, and Transparency Program (HART) program 2018-2019 data request*

Dear (Carrier),

On January 28, 2021, Governor Murphy signed Executive Order (E.O.) 217 establishing the framework for building a health care cost growth benchmark program in New Jersey to further improve access to affordable, equitable, high-quality health care. New Jersey's health care cost growth benchmark program, the Health Care Affordability, Responsibility, and Transparency (HART) program, is now set forth in E.O. 277 and affirmed through an accompanying compact signed by health care stakeholders throughout the state – including hospitals and health care providers, insurers, employers, consumer and union groups, and policy organizations. The compact reflects the collective leadership and aspirations of stakeholders in defining a bold vision of high-quality and more affordable health care for all New Jerseyans.

Since that time, the HART program has extensively engaged stakeholders, including carrier leadership and technical representatives, in crafting the technical design requirements to carry out the HART program's goals. A health care cost growth benchmark is a targeted annual per capita rate of spending growth that payers, provider entities and the State endeavor to stay below. It establishes a shared goal for slowing the rate of health care spending growth to make health care more affordable.

**Pursuant to E.O. 277 and consistent with the design of the HART program as described above, this letter is to inform you that the Department of Banking and Insurance is requesting 2018 and 2019 spending data from payers to support the pre-benchmark spending analysis.** The Department expects the initial data collection and validation process to take several months and understands this will require

coordination between the Department, the Department’s data analytics vendor, and the carriers. To that end, accompanying this letter is a *Carrier Benchmark Data Submission Guide*, which includes a more specific timeline, instructions and specifications for submitting the requested spending data. The *Carrier Benchmark Data Submission Guide* describes the methodology for measuring health care cost growth in New Jersey, which was developed with input from external stakeholders through an established program implementation advisory structure that includes payer, hospital, physician organization, labor, employer, and consumer representation. This marks an important milestone in our efforts to promote transparency in health care spending and is a critical step in an ongoing and collaborative process to identify opportunities to slow the rate of growth in health care costs. Additional information, including the HART Program Blueprint, informational webinars, and Advisory Group meeting summaries can be found at the [About New Jersey Cost Growth Benchmark Program](#) website.

**New Jersey’s health care cost growth benchmark was established in the fall of 2021 with broad stakeholder input.** The cost growth benchmark values are a blended growth rate of projected gross state product and household income and are expressed in per capita terms. The benchmarks reflect the need to bring spending growth closer in line with what families and businesses can afford. Table 1 includes the benchmark values for 2022-2027, the years for which spending growth will be measured (i.e., reporting years), and the level of public reporting of spending analysis.

**Table 1: New Jersey’s Health Care Cost Growth Benchmarks**

	Benchmark	Measuring Cost Growth Between	Level of Public Reporting	Public Reporting Date
Pre-benchmark year	No benchmark	CY 2018-2019	State and market	Spring 2024
Transition year (CY 2022)	No benchmark	CY 2021-2022	State, market, payer, and provider entity	TBD*
PY 1 (CY 2023)	3.5%	CY 2022-2023	State, market, payer, and provider entity	2025
PY 2 (CY 2024)	3.2%	CY 2023-2024	State, market, payer, and provider entity	2026
PY 3 (CY 2025)	3.0%	CY 2024-2025	State, market, payer, and provider entity	2027
PY 4 (CY 2026)	2.8%	CY 2025-2026	State, market, payer, and provider entity	2028
PY 5 (CY 2027)	2.8%	CY 2026-2027	State, market, payer, and provider entity	2029

*\*The HART program is assessing how soon DOBI can collect and release the transition year (CY 2021-2022) data and has yet to finalize the timeline for its release.*

E.O. 277 directs the Department of Banking & Insurance to collect data to measure, analyze, and report the per capita change in New Jersey’s health care spending from one calendar year to the next. The Department will publicly report findings at the state, market, payer, and large provider entity levels. Public reporting will include contextual information intended to support interpretation of findings, and in future years, may provide reasonable explanations for why spending was above or below the cost growth benchmark.

Findings from the pre-benchmark analysis (CY2018-2019 data) will be reported at the state and market levels only. Payers and provider entities will have an opportunity to

review their pre-benchmark spending growth confidentially to ask questions and understand the analysis prior to public reporting, which occurs in future years. The Department has developed the aforementioned data submission guide to support payers in submitting data. The Department will also host a technical webinar for data submitters on **Thursday June 29, 2023 from 1-2:30 pm ET** to review the specifications, reporting template, data validation process, and answer questions.

The last few years have underscored the importance and urgency of ensuring that equitable, affordable health care is in reach for all New Jerseyans. We thank you and your organization for your role and commitment to making health care more affordable for the residents of New Jersey. If you have questions about the data request or HART program, please contact [carrierdatasubmission@dobi.nj.gov](mailto:carrierdatasubmission@dobi.nj.gov).

Sincerely,

A handwritten signature in blue ink that reads "M. Caride". The signature is fluid and cursive, with the first name being more prominent.

Marlene Caride  
Commissioner