



State of New Jersey

DEPARTMENT OF BANKING AND INSURANCE

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PHILIP D. MURPHY
Governor

TAHESHA L. WAY
Lt. Governor

JUSTIN ZIMMERMAN
Commissioner

Via Electronic Email

November 1, 2024

Dear (Carrier),

Pursuant to [Executive Order \(E.O.\) 277](#) and consistent with the design of the Health Care Affordability, Responsibility, and Transparency (HART) Program as described below, this letter is to inform you that the **Department of Banking and Insurance is requesting 2021, 2022, and 2023 spending data from payers by Wednesday, January 22, 2025 or earlier, to support the transition and performance year one spending analyses.** The Department expects the 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 carriers.

To that end, accompanying this letter is an updated **Carrier Benchmark Data Submission Guide** (the Guide) and **Carrier Benchmark Data Submission Template** (the Template). These resources are also available for download from the Information for Data Submitters page on the [HART Program section of the Department of Banking and Insurance](#) website and from the General Information folder in the [Benchmark Data Submission Site](#) (requires login). The Guide includes instructions and specifications for submitting the requested spending data in the Template. **Please review the Version History section in the Guide for a summary of changes that impact carriers' data reporting requirements.**

HART Program Cost Growth Benchmark Background

On January 28, 2021, Governor Murphy signed [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 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 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. The HART Program also developed the methodology for

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measuring health care cost growth in New Jersey with input from external stakeholders through an established program implementation advisory structure that includes payer, hospital, physician organization, labor, employer, and consumer representation.

The HART Program established New Jersey’s health care cost growth benchmarks in the fall of 2021 with broad stakeholder input. 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 limit the growth of health care costs. 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 years of data the state will collect (i.e., the calendar years for which the program will be measuring cost growth between), the benchmark values for 2022-2027, the level of public reporting for the spending analysis, and when the state will publicly report performance.

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

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

Notes: CY = calendar year; PY = performance year.

E.O. 277 directs the Department of Banking and 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, excluding 2020 due to the COVID-19 public health emergency. 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. Payers and provider entities will have an opportunity to review their spending growth confidentially to ask questions and understand the analysis prior to public reporting.

Carrier Data Submission Webinar

The Department will host a technical webinar for data submitters in the next few weeks to review the key changes to requirements and the reporting template, the data validation process, and answer questions. Details on the specific date and time, and link to register for the webinar are forthcoming. The Department will post the recording and slides following the webinar to the General Information folder in the [Benchmark Data Submission Site](#) (requires login), for those who are unable to attend.

Questions?

If you have questions about the data request or HART Program, please contact carrierdatasubmission@dobi.nj.gov.

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 curbing cost increases with the goal of providing the residents of New Jersey affordable care. Additional information, including the HART Program Blueprint, informational webinars, and Advisory Group meeting summaries can be found on the [Rutgers Center for State Health Policy HART Program](#) website.

Sincerely,

A handwritten signature in black ink that reads "Justin Zimmerman". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

Justin Zimmerman
Commissioner