



**Rutgers** Center for  
State Health Policy

Institute for Health, Health Care Policy  
and Aging Research

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Presentation to Rutgers  
School of Management  
and Labor Relations  
January 26, 2006

# ***Employment-Based Health Insurance in New Jersey***

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# About CSHP

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## *Mission*

To inform, support, and stimulate sound and creative state health policy in New Jersey and around the nation

*[www.cshp.rutgers.edu](http://www.cshp.rutgers.edu)*

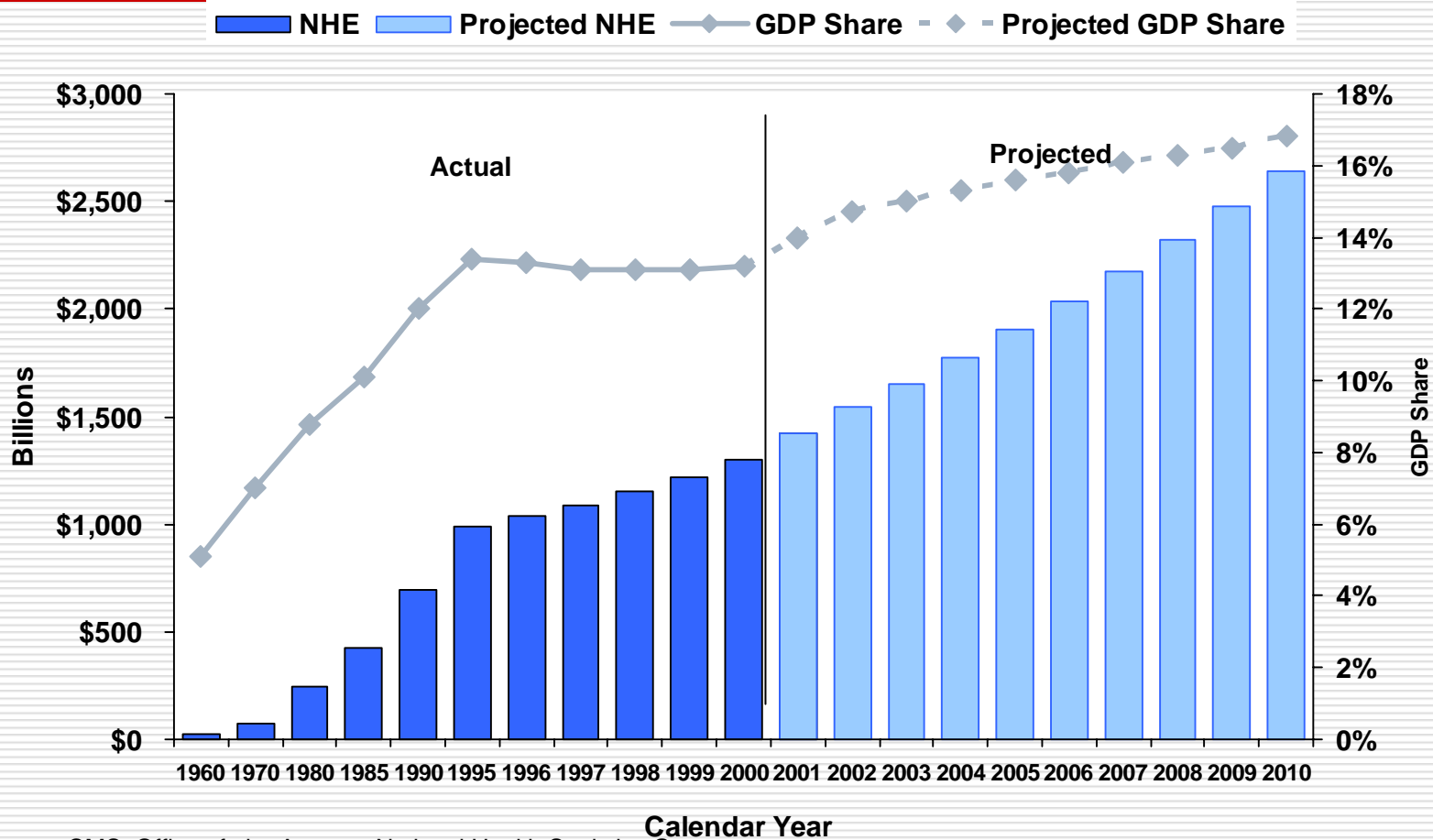
# Outline

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- Trends
- Policy Developments
- Challenges

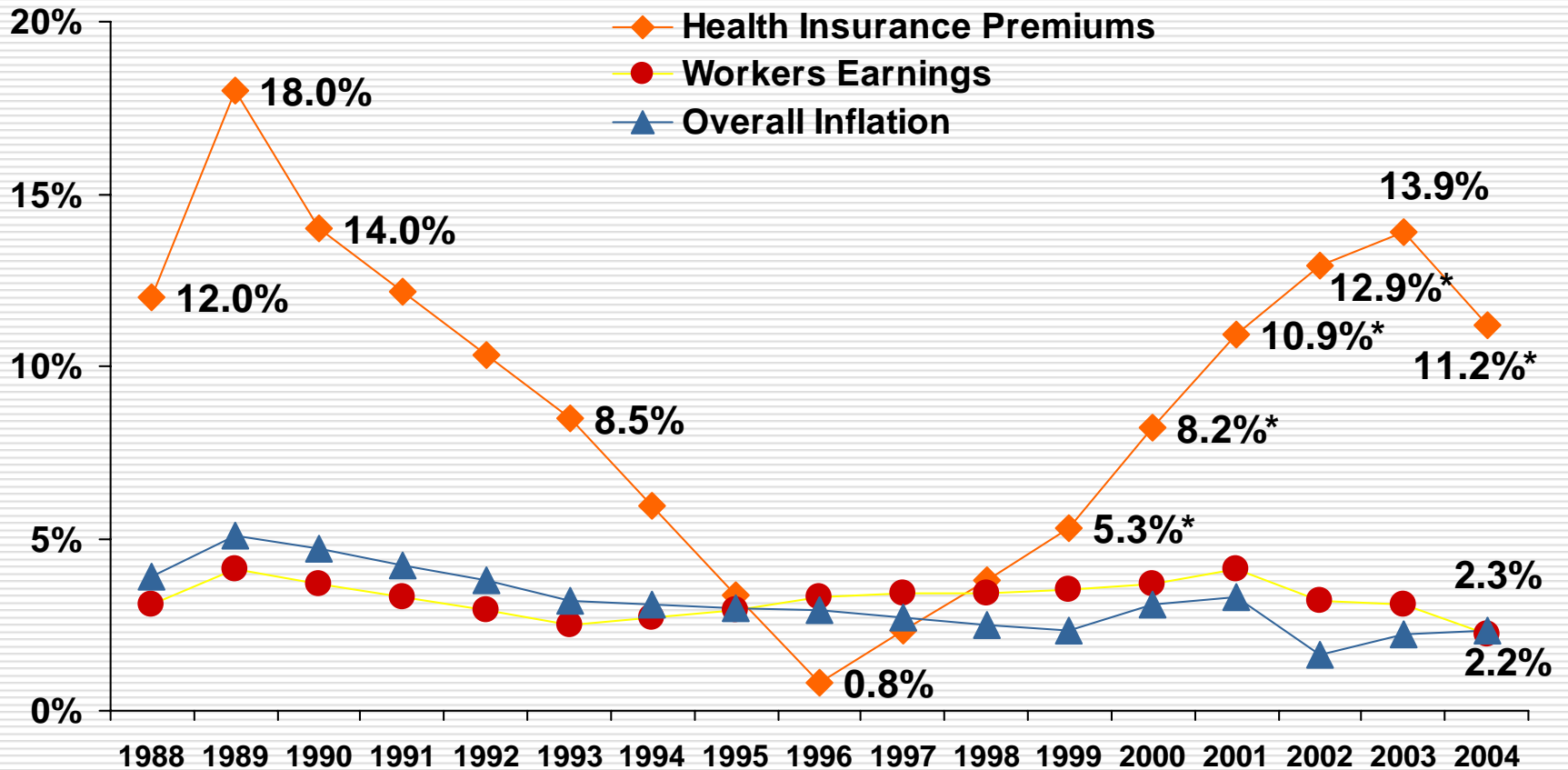
# National Health Expenditures and Their Share of Gross Domestic Product (GDP), 1960-2010

*National health spending growth is projected to significantly increase as a share of GDP over the next decade.*



Source: CMS, Office of the Actuary, National Health Statistics Group.

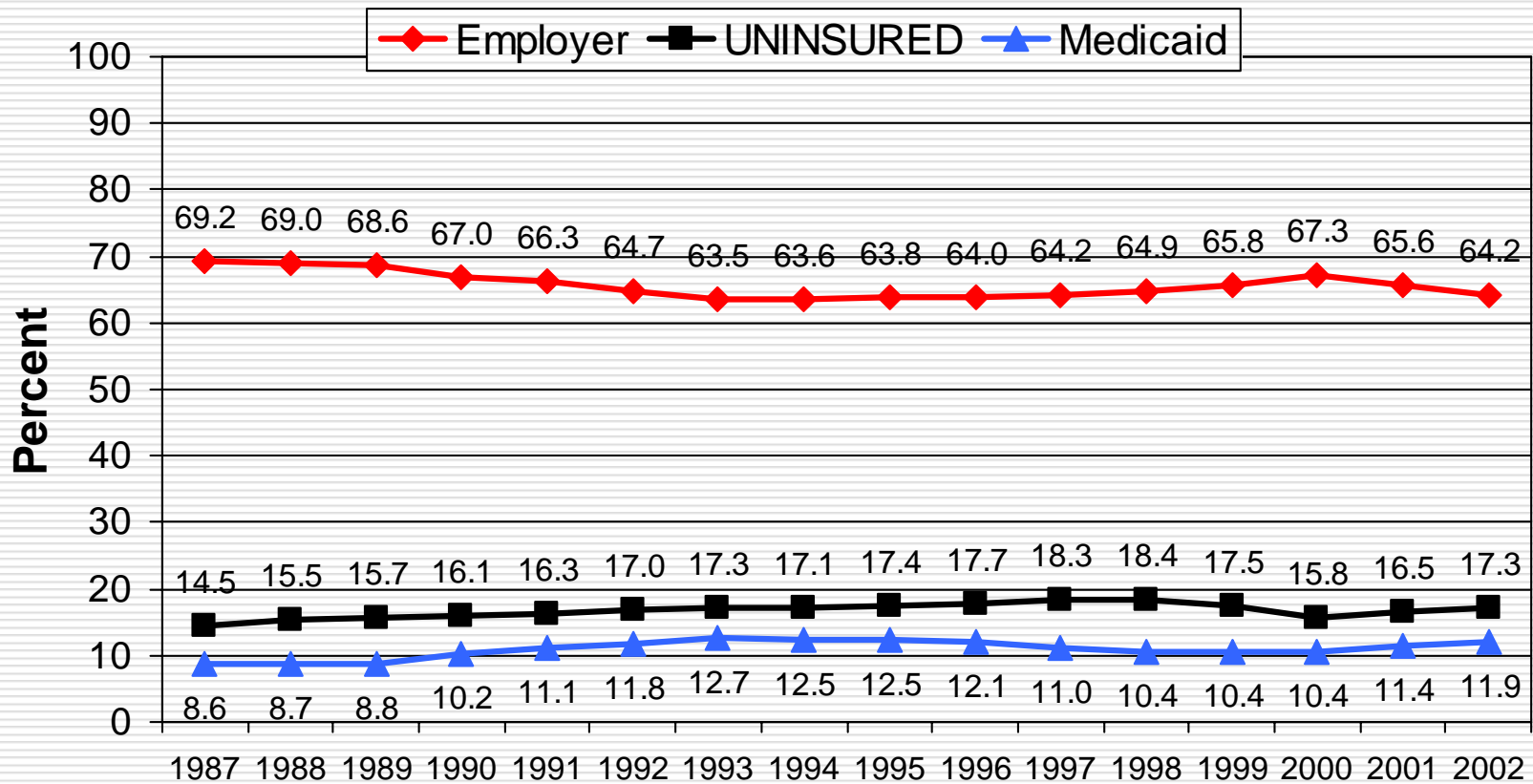
# Increases in Health Insurance Premiums Compared to Other Indicators, 1988-2004



Source: Kaiser Family Foundation

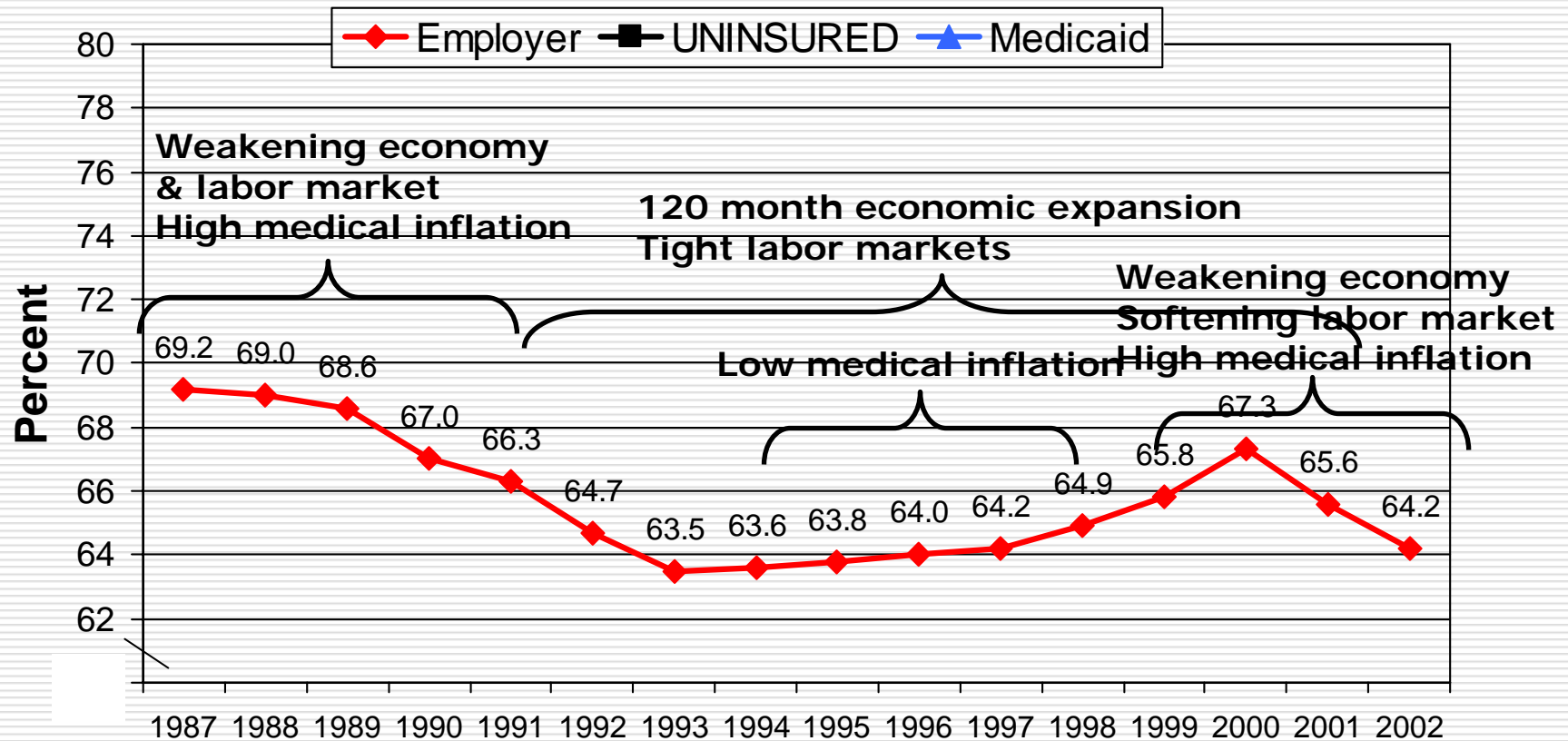
# Long-Term Decline in Employer Health Insurance, Rise in Uninsured

*US Non-Elderly, 1987-2002*



Source: Employee Benefits Research Institute tabulations of the Current Population Survey

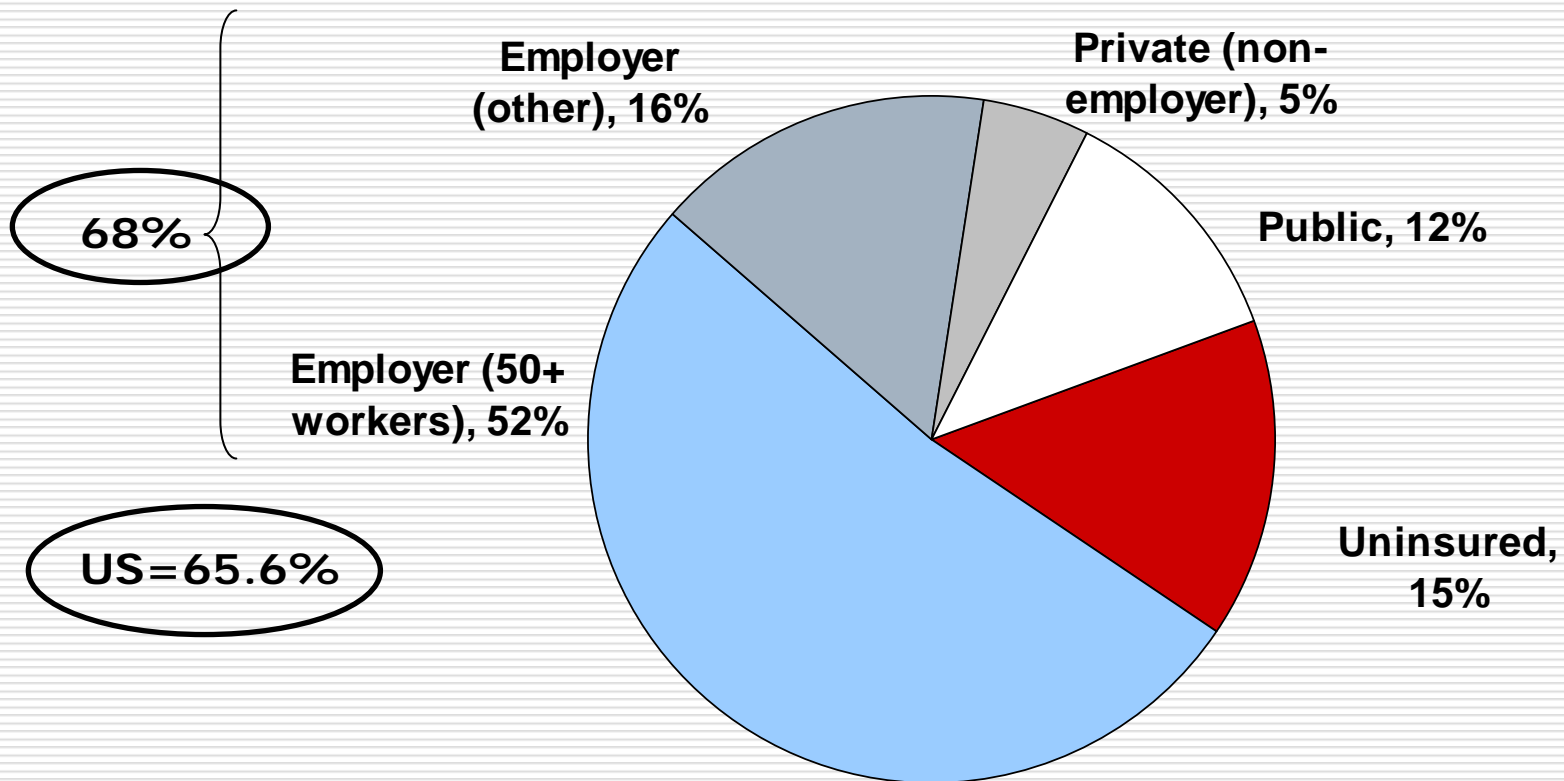
# Closer Look at Employer Health Insurance, US Non-Elderly, 1977 - 2002



Source: Employee Benefits Research Institute tabulations of the Current Population Survey

# Most NJ Residents have Employer Health Insurance

*Non-Elderly Population, 2001*



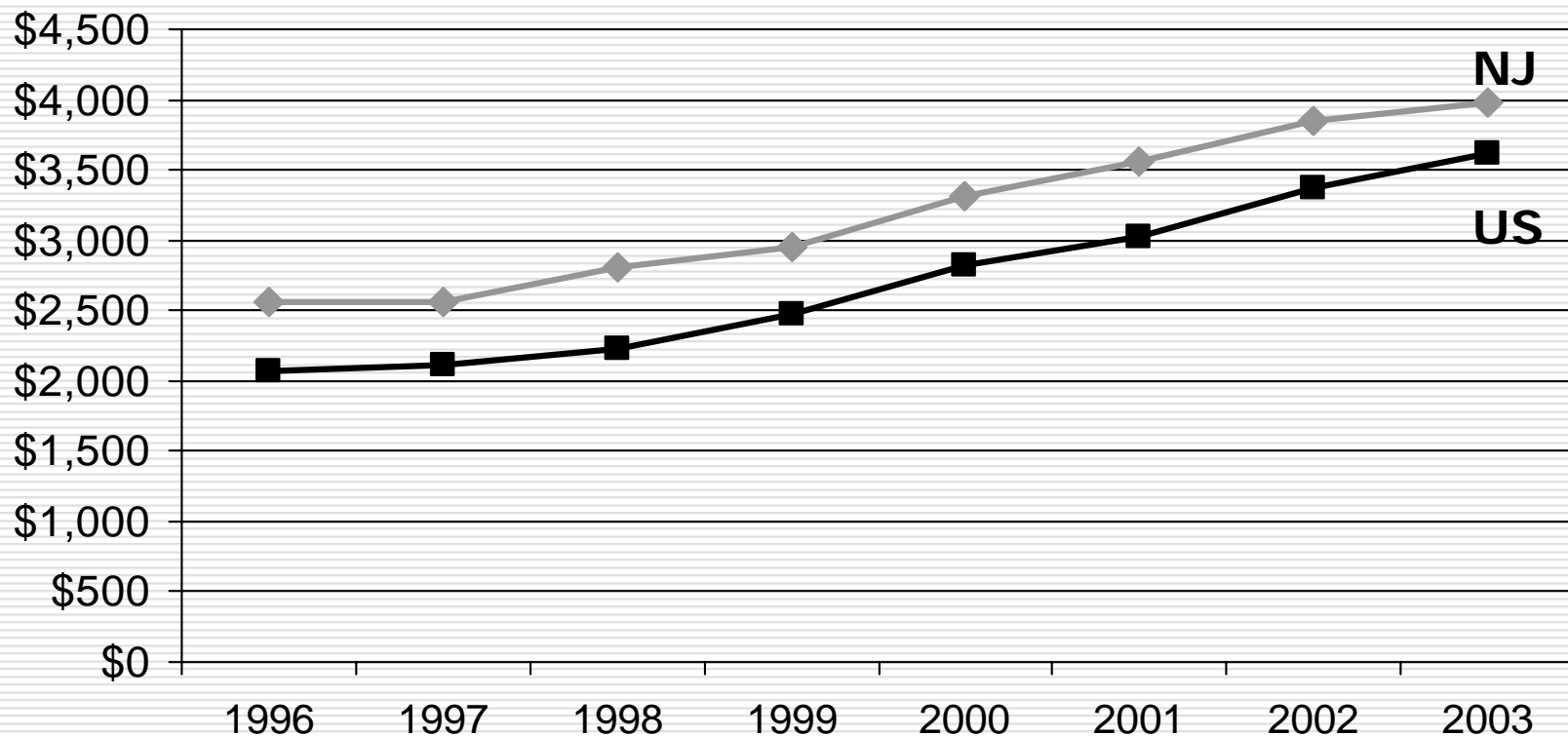
Source: Rutgers Center for State Health Policy. NJ Family Health Survey, 2001



# NJ Premiums are Higher than US Average

## *Small Firms, <50 Workers*

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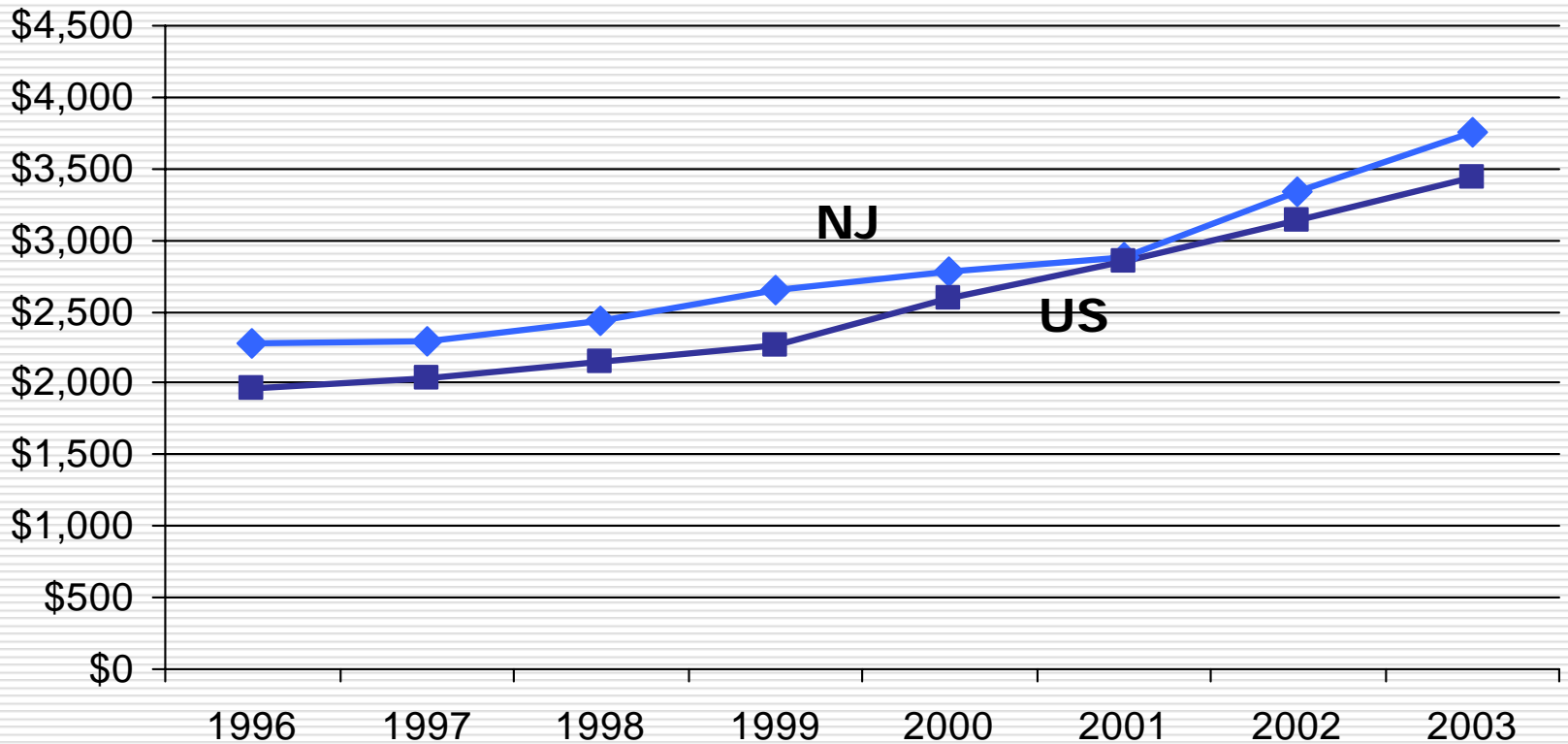


Source: Medical Expenditure Panel Survey - Insurance Component

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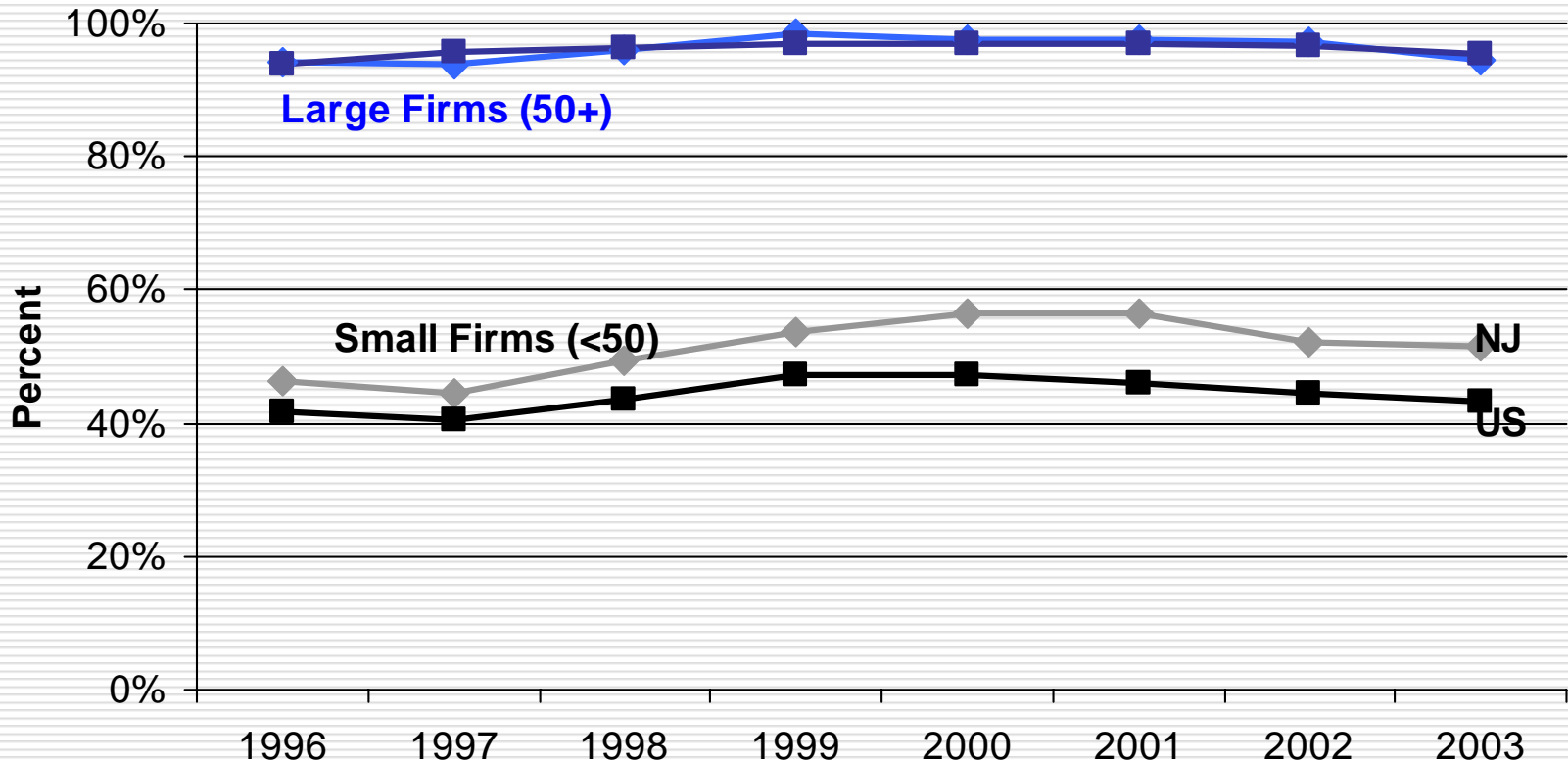
# NJ Premiums are Higher than US Average *Large Firms, 50+ Workers*

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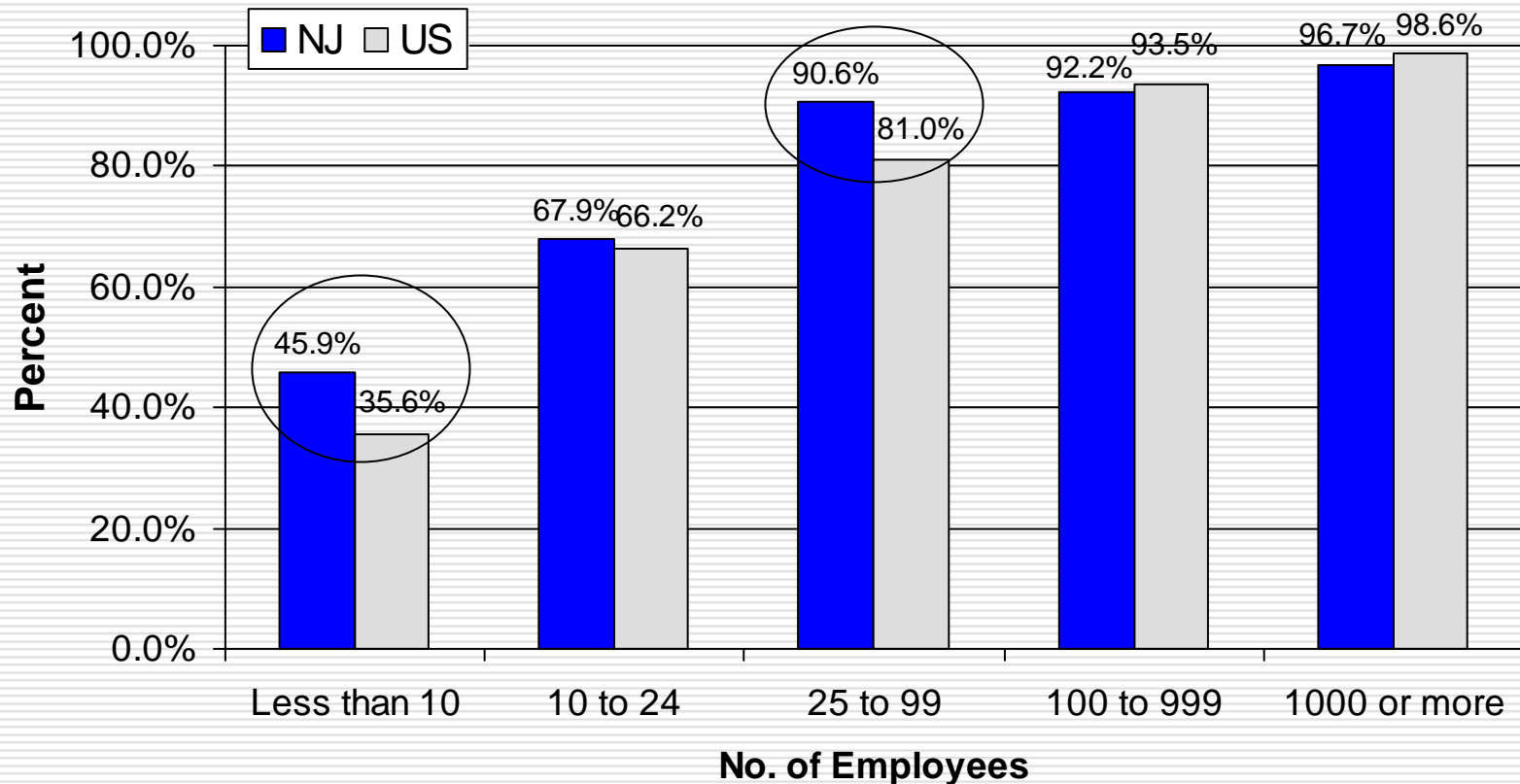
Source: Medical Expenditure Panel Survey - Insurance Component

# NJ Small Business Offer Rate has Been Robust Compared to US



Source: Medical Expenditure Panel Survey - Insurance Component

# NJ Small Businesses are More Likely to Offer Coverage than US Average

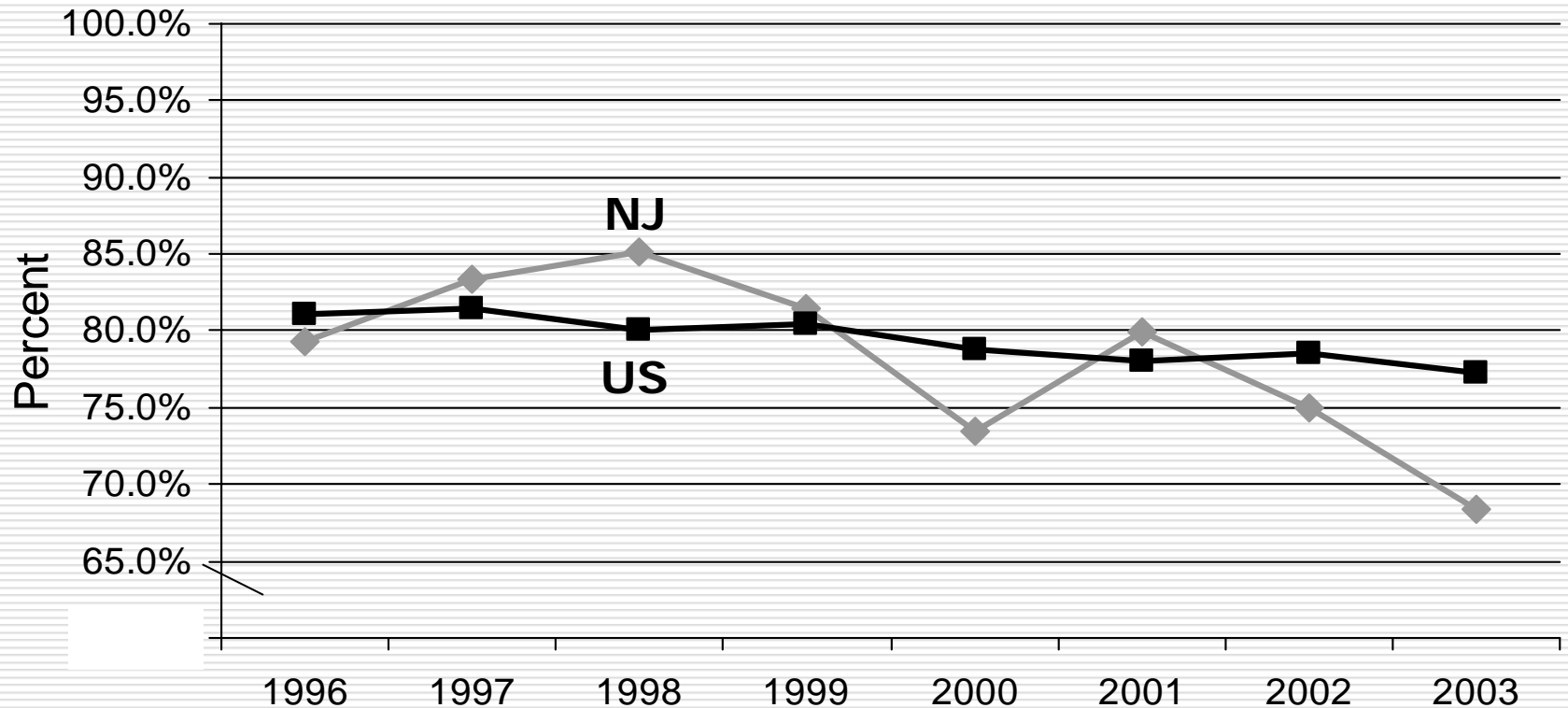


Source: Medical Expenditure Panel Survey – Insurance Component, 2003

# NJ Worker Take-Up Rate is Declining

## *Small Firms, <50 Workers*

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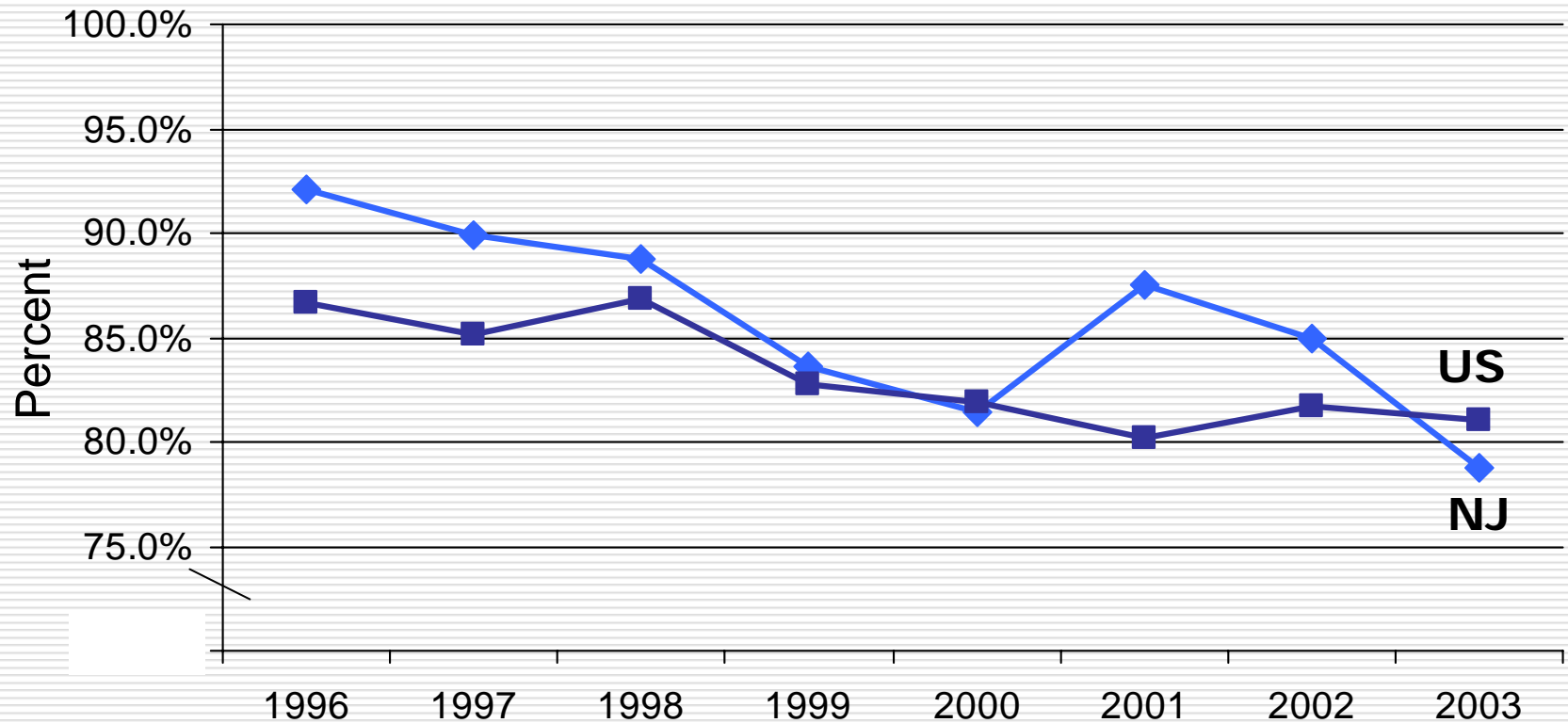


Source: Medical Expenditure Panel Survey - Insurance Component

# NJ Worker Take-Up Rate is Declining

## Large Firms, 50+ Workers

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Source: Medical Expenditure Panel Survey - Insurance Component

# Trends Summary & More

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- ❑ Cost rising faster than wages
- ❑ Declining employer offer & worker uptake
- ❑ Rising employee cost-sharing
- ❑ Declining retiree coverage

# Some Recent New Jersey Policy Developments

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- Expand NJ FamilyCare
  - Permit some parents to enroll (again)
  - Full-cost buy in for children in high-income families
- Insurers must offer coverage for “dependents” up to age 30
- Modified community rating in non-group market



# Challenges

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- State budget shortfall
  - Limit expansion of public coverage

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- State budget shortfall
- Health care market changes
  - Tough payer-provider negotiations
  - Insurer merger/consolidation
  - Hospital closures/consolidation

# Challenges

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- State budget shortfall
- Health care market changes
- Impact on workers
  - Rise in consumer cost sharing
  - Continued decline in offer and uptake
  - Continued pressure on collective bargaining

# Challenges

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- ❑ State budget shortfall
- ❑ Health care market changes
- ❑ Impact on workers
- ❑ Continued growth in uninsured, decline in retiree coverage, rise in out-of-pocket cost