



News Release

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Tuesday, December 13, 2016

New Report Details Impact of the Affordable Care Act in New Jersey

Hundreds of thousands of New Jerseyans have gained coverage, and millions more have had their coverage substantially improved

Today, the U.S. Department of Health and Human Services released an extensive [compilation](#) of state-level data illustrating the substantial improvements in health care for all Americans over the last six years. The data show that the uninsured rate in New Jersey has fallen by 34 percent since the Affordable Care Act (ACA) was enacted in 2010, translating into 398,000 New Jerseyans gaining coverage. And, in addition to residents who would otherwise be uninsured, millions more New Jerseyans with employer, Medicaid, individual market, or Medicare coverage have also benefited from new protections as a result of the law.

“As our nation debates changes to the health care system, it’s important to take stock of where we are today compared to where we were before the Affordable Care Act,” said Secretary Sylvia M. Burwell. “Whether New Jerseyans get coverage through an employer, Medicaid, the individual market, or Medicare, they have better health coverage and care today as a result of the ACA. Millions of Americans with all types of coverage have a stake in the future of health reform. We need to build on our progress and continue to improve health care access, quality, and affordability, not move our system backward.”

Highlights of today’s data release include:

Employer Coverage: 5,450,000 people in New Jersey are covered through employer-sponsored health plans. Since the ACA was enacted in 2010, this group has seen:

- **An end to annual and lifetime limits:** Before the ACA, 3,274,000 New Jerseyans with employer or individual market coverage had a lifetime limit on their insurance policy. That meant their coverage could end exactly when they needed it most. The ACA prohibits annual and lifetime limits on policies, so all New Jerseyans with employer plans now have coverage that’s there when they need it.
- **Young adults covered until age 26:** An estimated 59,000 young adults in New Jersey have benefited from the ACA provision that allows kids to stay on their parents’ health insurance up to age 26.

- **Free preventive care:** Under the ACA, health plans must cover preventive services — like flu shots, cancer screenings, contraception, and mammograms — at no extra cost to consumers. This provision benefits 4,210,183 people in New Jersey, most of whom have employer coverage.
- **Slower premium growth:** The average premium for New Jersey families with employer coverage grew 5.4 percent per year from 2010-2015, compared with 6.4 percent over the previous decade. Assuming New Jersey premiums grew in line with the national average in 2016, family premiums in New Jersey are \$1,400 lower today than if growth had matched the pre-ACA decade.
- **Better value through the 80/20 rule:** Because of the ACA, health insurance companies must spend at least 80 cents of each premium dollar on health care or care improvements, rather than administrative costs like salaries or marketing, or else give consumers a refund. New Jerseyans with employer coverage have received \$17,998,827 in insurance refunds since 2012.

Medicaid: 1,784,529 people in New Jersey are covered by Medicaid or the Children's Health Insurance Program, including 848,216 children and 185,430 seniors and people with disabilities covered by both Medicaid and Medicare. The ACA expanded Medicaid eligibility and strengthened the program for those already eligible.

- **194,000 New Jerseyans have gained coverage through Medicaid:** An estimated 194,000 New Jerseyans have health insurance today because New Jersey expanded Medicaid under the ACA. Coverage improves access to care, financial security, and health, resulting in an estimated 22,000 more New Jerseyans getting all needed care, 27,600 fewer New Jerseyans struggling to pay medical bills, and 230 avoided deaths each year.
- **Thousands of New Jerseyans with a mental illness or substance use disorder are getting care:** Thanks to expansion and improved access to treatment, an estimated 18,000 fewer New Jerseyans are experiencing symptoms of depression.
- **New Jersey is saving millions in uncompensated care costs:** Instead of spending \$200 million on uncompensated care, which increases costs for everyone, New Jersey is getting \$1 billion in federal support to provide low-income adults with much needed coverage.
- **Children, people with disabilities, and seniors can more easily access Medicaid coverage:** The ACA streamlined Medicaid eligibility processes, eliminating hurdles so that vulnerable New Jerseyans could more easily access and maintain coverage.
- **New Jersey is improving behavioral health.** Under the ACA, CMS is helping New Jersey link payments with improved outcomes for beneficiaries with co-morbid conditions; customize expansions/ enhancements to specific populations; and spread integration efforts to new areas of the state.

Individual market: 249,395 people in New Jersey have coverage through the Marketplace. Individual market coverage is dramatically better compared to before the ACA:

- **No discrimination based on pre-existing conditions:** Up to 3,847,727 people in New Jersey have a pre-existing health condition. Before the ACA, these New Jerseyans could have been denied coverage or charged an exorbitant price if they needed individual

market coverage. Now, health insurance companies cannot refuse coverage or charge people more because of pre-existing conditions.

- **Tax credits available to help pay for coverage:** Before the ACA, only those with employer coverage generally got tax benefits to help pay for health insurance. Now, 205,242 moderate- and middle-income New Jerseyans receive tax credits averaging \$322 per month to help them get covered through HealthCare.gov.
- **Women pay the same as men:** Before the ACA, women were often charged more than men just because of their gender. That is now illegal thanks to the ACA, protecting roughly half the people of New Jersey.
- **Greater transparency and choice:** Before the ACA, it was virtually impossible for consumers to effectively compare insurance plan prices and shop for the best value. Under the ACA, New Jersey has received \$6 million in federal funding to provide a more transparent marketplace where consumers can easily compare plans, choosing among 19 plans on average.

Medicare: 1,528,961 people in New Jersey are covered by Medicare. The ACA strengthened the Medicare Trust Fund, extending its life by over a decade. In addition, Medicare enrollees have benefited from:

- **Lower costs for prescription drugs:** Because the ACA is closing the prescription drug donut hole, 211,881 New Jersey seniors are saving \$263 million on drugs in 2015, an average of \$1,241 per beneficiary.
- **Free preventive services:** The ACA added coverage of an annual wellness visit and eliminated cost-sharing for recommended preventive services such as cancer screenings. In 2015, 940,537 New Jersey seniors, or 77 percent of all New Jersey seniors enrolled in Medicare Part B, took advantage of at least one free preventive service.
- **Fewer hospital mistakes:** The ACA introduced new incentives for hospitals to avoid preventable patient harms and avoidable readmissions. Hospital readmissions for New Jersey Medicare beneficiaries dropped 13 percent between 2010 and 2015, which translates into 6,774 times New Jersey Medicare beneficiaries avoided an unnecessary return to the hospital in 2015.
- **More coordinated care:** The ACA encouraged groups of doctors, hospitals, and other health care providers to come together to provide coordinated high-quality care to the Medicare patients they serve. 29 Accountable Care Organizations (ACOs) in New Jersey now offer Medicare beneficiaries the opportunity to receive higher quality, more coordinated care.

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