

TACKLING NEW JERSEY'S UNIQUE HEALTH CARE CHALLENGES

By LAURA LANDY

HEALTH CARE IN NEW JERSEY is on an unsustainable trajectory. Costs are among the highest in the nation, yet quality is only average overall. That's the finding of a recent study by the New Jersey-based Fannie E. Rippel Foundation, which I head.

The problem is being felt across the state, where local governments are under intense financial pressure from rising health care costs for employees. Private-sector employers feel the same pressure.

The tendency is to ask everyone to pay more, but the real question is: Can't we deliver health care more efficiently? The answer is yes, and this new report points the way.

In the report—"When being No. 1 means we have to think differently: The future of health care in New Jersey"—Dartmouth researchers studied Medicare beneficiaries who had severe chronic illness and found that total per-capita spending in 2007 for New Jersey beneficiaries during their last two years of life averaged \$59,379, the highest of any state, and 28 percent higher than the national average.

The Dartmouth Atlas data divide New Jersey essentially into seven regions; five of them are in the top 17 (out of 306 nationally) in Medicare expenditures per recipient: Newark (7th), Hackensack (10th), Ridgewood (11th), New Brunswick (14th) and Paterson (17th). Camden (30th) and Morristown (41st) follow closely behind to complete the New Jersey rankings.

The Hackensack region, which extends beyond Bergen County, was 35 percent higher than the national average for total Medicare reimbursements per decedent (in the last two years of life).

WE LEAD NATION

Interestingly, the cause wasn't higher prices. The most important reason for the higher costs in New Jersey was greater health care utilization. On eight separate measures of utilization, New Jersey led the nation, including percent of decedents seeing 10 or more different physicians during the last six months of life.

That's both the problem and the opportunity.

In New Jersey, we use more health care than other states. And we're on the way to using even more, as state officials review plans for additional hospital capacity in some regions even as the needs of other regions go unmet.

The report raises the question: Isn't it time we start thinking about health care differently? How can primary care be best provided, for instance, given that New Jersey has a shortage of primary care physicians and an abundance of specialists?

Does it make sense to add hospital beds in northern New Jersey, when there are excess beds at the existing hospitals? Is the solution to build more hospitals or to think about making care more accessible and in different ways?

As part of the report, the Rippel Foundation interviewed 25 health leaders across the state to ask what should be done about health care in New Jersey. The recommendations that emerged include the following:

- Leaders inside and outside of health care should help set the direction for fundamental change and ensure that the topic is part of the broader discussion of New Jersey's future.

- The people of New Jersey need to discuss the tough issues that changing the health care delivery system raises. What outcomes are most important? How should inevitable trade-offs be handled?

- Experimentation and innovation should be encouraged, along with mechanisms for coordination and integration.
- New Jersey needs much better information on system-wide costs and performance, and state government should play a leading role in ensuring that such information is available.

SYSTEM AS A WHOLE

While there are many initiatives going on in certain regions of the state, we also need change that looks at the state as a whole system, not individual silos of health and care.

The Rippel Foundation has embarked on a national initiative to "Rethink Health," drawing lessons from leaders inside and outside of health care for models of systems change that can redesign health care.

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