

Report of the Affordable Healthcare: Addressing Washington's Medicaid Cuts Action Team

The Action Team [recognized and considered the impact of New Jersey's healthcare challenges](#). The Team is focused on mitigating the healthcare cuts of the federal legislation of the One Big Beautiful Act (OBBA). They urged for a whole-of-government approach to managing budget shortfalls and federal policy changes to keep as many eligible Medicaid recipients enrolled as possible. Additionally, focus should be in strengthening the healthcare workforce, especially for marginalized and vulnerable communities. Rising healthcare costs, including employer coverage, the Affordable Care Act, and options for those losing coverage altogether should be addressed. The Transition Team proposes the following recommendations to accomplish these key priorities:

- Protecting New Jersey from the Impacts of the One Big Beautiful Act and Other Federal Policies
- Developing the Healthcare Workforce
- Boosting Transparency and Consumer Protections to Increase Affordability

Additional recommendations included an Executive Order establishing an OBBA Action Team. The OBBA Action Team would:

Assess the impact and focus on mitigating harm on residents and preserving New Jersey's healthcare safety net through an Executive Order and direct the Attorney General's office, together with Department of Health (DOH), Department of Human Services (DHS), Department of Children and Families (DCF), Department of Labor (DOL), Department of Banking and Insurance (DOBI), and the Department of Treasury (Treasury) to determine litigation strategies and statutory or regulatory changes whose care is explicitly to those affected by OBBA.

Direct DHS to explore strategies available under OBBA to preserve coverage, with a particular focus on technology and automated solutions and explore use of emergency powers and public-private partnerships.

DHS should invest in modernizing and aligning enrollment systems for health and social service programs to simplify enrollment.

New Jersey should work with the private sector to support our healthcare safety in areas of uncompensated care and should maintain public health initiatives, such as vaccination schedules and continue coordination with the Governors Public Health Alliance.

DOH should engage in public education initiatives regarding the safety and efficacy of vaccines, coordinating with county and local health departments, schools, and trusted

community partners; invest in public health emergency preparedness; and ensure healthcare facilities are as prepared as possible for the potential influx of patients.

Additional recommendations include attracting, educating, and retaining the healthcare workforce, prioritizing expediting and streamlining licensing and renewals through the Department of Community Affairs; optimizing telehealth to promote affordability and access; and modernizing New Jersey's midwifery licensure process and regulations.

The Direct the Commissioner of DOH to adopt best practices in expanding access to a culturally competent workforce to reduce the maternal morbidity (compromised health) and mortality for Black women.

Existing State contracts should be evaluated, particularly with Medicaid managed care organizations (MCOs), to ensure the effective use of public dollars and access to care; DOH should collect data on costs on health plans, providers, and Pharmacy Benefit Managers (PBMs) and create a task force that includes industry representatives, consumers, and enrollees to work on proposals to decrease costs. Transparency, quality, and affordability should be explored as to what additional authority is necessary and enforce existing requirements on PBMs.

Explore lessons from other states to make coverage more affordable and potentially increase federal funding on GetCoveredNJ.

The following recommendations were considered, but did not reach full consensus:

- Codify the Office of Healthcare Affordability, Responsibility and Transparency (OHART) to establish a hospital price benchmarks.
- Consider enacting legislation to create out-of-network hospital price caps at a fixed percentage of the Medicare rate for all health plans subject to state regulation.
- Consider utilizing reference-based pricing for the State Health Benefits Program and commercial markets.
- Consider legislation to establish site neutral payments for health plans subject to state regulation. Consider an opt-in process for self-funded Employee Retirement Income Security Act (ERISA) plans. Site neutral payment reform could equalize payments for healthcare services across different healthcare settings and potentially lower costs for patients, employers, and taxpayers.