

December 8, 2025

Senator Joseph F. Vitale  
Chair  
Committee on Health, Human Services and Senior Citizens (SHH)  
New Jersey State Senate  
125 W State St  
Trenton, NJ 08608

Dear Chair Vitale:

Thank you for the opportunity to provide written comments in advance of the December 8, 2025 hearing of the Senate Committee on Health, Human Services and Senior Citizens. On behalf of Families USA, a leading national, nonpartisan voice for health care consumers, we are writing to express our strong support for [A5376/S4299](#).

For more than 40 years, Families USA has worked to achieve our vision of a nation where high-quality health and health care are equally accessible and affordable to all. A5376/S4299 demonstrates the New Jersey legislature's commitment to providing millions of families across New Jersey with real relief from high and rising health care costs by passing effective, evidence-backed policies that will hold hospitals accountable for skyrocketing health care prices.

As New Jerseyans and Americans across the country grapple with unmanageable and irrational health care prices, members of the New Jersey Senate Health, Human Services, and Senior Citizens Committee have the opportunity to enact meaningful solutions. By establishing the Health Care Cost Containment and Price Transparency Commission and codifying its authority to set and enforce health care cost growth and hospital price growth benchmarks, S4299 takes major steps to slow decades of rising health care costs and spending growth driven by rapidly increasing hospital prices.

### **A Health Care System in Crisis – In New Jersey and Nationwide**

The United States health care system is in crisis, evidenced by a widespread lack of affordability and poor quality.<sup>i</sup> An astounding 89% of Americans report U.S. health care costs are too high relative to the value of care they receive, and an estimated 100 million Americans are in medical debt.<sup>ii</sup> These trends are no different in New Jersey, where 49% of New Jerseyans report delaying or forgoing health care due to its cost and 60% worry about affording medical costs for a serious illness.<sup>iii</sup> Accessing health care in New Jersey often forces patients and families to either blow through their life savings to afford care or make impossible tradeoffs between paying medical bills or buying groceries. In 2024, an estimated 1.5 million New Jerseyans struggled with medical debt.<sup>iv</sup> It should come as no surprise then that nationwide polling shows that voters across the political spectrum agree that health care costs are their top issue.<sup>v</sup>

At its core, our health care affordability crisis is driven by a fundamental misalignment between the business interests of the health care sector and the health and financial security of our nation's families – a business model that allows industry to set prices that have little to do with the quality of the care they offer. As large health care corporations consolidate and destroy competition in the health care sector, they clear a path to dramatically increase prices year after year. Under the current system, hospitals consolidate enough market power to increase prices with no accountability while generating high volumes of high-priced services. Large hospitals systems are now a primary driver of rising prices, with hospitals accounting for 31% of health care spending nationwide.<sup>vi</sup>

In fact, prices are not only high, they are completely irrational. In New Jersey, average commercial hospital prices are 288% of the price Medicare pays for the same service, and some prices can end up being much higher.<sup>vii</sup> For example, a routine colonoscopy in New Jersey can cost anywhere between \$347-\$1090.<sup>viii</sup> A mammogram paid through employee sponsored insurance can cost as much as \$865 or as low as \$345.<sup>ix</sup> And an inpatient knee replacement costs on average \$41,607 – nearly \$7,000 more than the national average.<sup>x</sup>

High and irrational health care costs are also a critical problem for national and state governments and affect the economic vitality of middle-class and working families – harming the ability of working people to earn a living wage.<sup>xi</sup> State and local governments are significant purchasers of health insurance, providing benefits to millions of public employees across the country. Rising health care costs directly threaten the ability of states to provide comprehensive health care coverage and benefits to their residents through public programs and state employee health plans.<sup>xii</sup> In 2022, New Jersey had the 10<sup>th</sup> highest per capita personal health care expenditures in the country (\$12,579), over 16% higher than nationwide per capita spending for the same year (\$10,714).<sup>xiii</sup> As a direct result of these high and rising costs and restraints in the New Jersey budget, members of the New Jersey public worker health plans will likely experience notable increases in copays, coinsurance, deductibles, and out-of-pocket maximums in 2026, creating even more financial strain on state employees.<sup>xiv</sup>

These rising health care costs are also problematic for the business community across the state, directly affecting the ability of employers to increase wages for employees and offer comprehensive benefits to their workers.<sup>xv</sup> Rising health care costs are a major reason why today's real wages – wages after accounting for inflation – are roughly the same as four decades ago, while employer health insurance premiums have risen dramatically.<sup>xvi</sup> Health care costs have become so burdensome for the business community that nearly 90% of large employers across the country say that rising health care costs threaten their ability to offer employee benefits over the next decade.<sup>xvii</sup> Just this year, employers and consumers across the state of New Jersey are grappling with record high premium increases, averaging 16.6%.<sup>xviii</sup>

## The Role of Price Transparency and Cost Growth Benchmarks in Driving Affordability

[S4299](#) could not come at a more critical time for New Jerseyans grappling with unaffordable care and opaque prices. This legislation will help New Jersey policymakers and residents understand and address the health care affordability crisis by:

1. Codifying the Office of Health Care Affordability and Transparency and granting the office clear authority to collect data from hospitals to support an annual evaluation of health care cost growth and the state employee health plan;
2. Establishing the Health Care Cost Containment and Price Transparency Commission charged with monitoring health care cost growth and developing and enforcing a health care cost growth and hospital price growth benchmark; and
3. Requiring hospitals to comply with federal price transparency rules while protecting patients from debt collection action for services delivered while a hospital is noncompliant.

The bill takes important steps to build on and strengthen existing federal price transparency rules and the previous work of Governor Murphy to address health care cost drivers. Despite a federal rule requiring hospitals to post health care prices publicly, only 45% of New Jersey hospitals are compliant, meaning patients and policymakers alike have little insight into price variability and the drivers of high health care spending in the state.<sup>xix</sup> By codifying the Office of Health Care Affordability and Transparency (OHCAT) established by Governor Murphy in 2020, the New Jersey General Assembly would affirm their commitment to health care affordability and ensure OHCAT members have the tools needed to better monitor and understand New Jersey health care costs, including meaningful price transparency.

Notably, [S4299](#) would codify the state's health care cost growth benchmark program and make New Jersey one of only five states nationwide with the authority to enforce compliance with the benchmark.<sup>xx</sup> The Health Care Cost Containment and Price Transparency Commission would be an independent commission charged with implementing a statewide health care cost growth benchmark and monitoring the state's performance against that benchmark. This marks an important step forward as cost growth benchmarks are one of the most effective tools states can deploy to directly contain rising health care costs and bring relief to families. By structuring the design of the commission in statute to be independent, the legislation also establishes the strongest protections against members becoming unduly influenced by industry interests. In maintaining its independence, the commission is in the best legal position to meaningfully oversee health care spending and enforce the health care cost growth and hospital price growth benchmarks.

Critically, the legislation grants the commission the authority to issue corrective action plans and civil penalties to non-compliant health care entities, ensuring [S4299](#) can effectively hold corporate health systems accountable for price gouging patients. Recent experience in other

states with cost growth benchmark programs that did *not* utilize enforcement tools such as financial penalties – including Delaware, Massachusetts, and Connecticut – saw poor compliance as health systems realized there were few real consequences to surpassing growth targets.<sup>xxi</sup> For example, in 2020, Delaware officials admitted their faith that hospitals would come to the table and collaborate to meet the state’s cost growth target was misplaced: “We hoped by setting these goals the major providers in our healthcare industry would come to the table and work with us to decrease cost growth. I am sorry to report that we were wrong.”<sup>xxii</sup> Instead, hospital cost growth outpaced the target nearly each year, in some years reaching over 11%.<sup>xxiii</sup> **It is essential that New Jersey learn from these previous efforts and pass legislation that not only sets the standard for fairer prices but also gives the state the appropriate tools to enforce that standard to ensure that New Jerseyans reap the full benefit of this critical work.**

Thank you for the opportunity to submit this testimony and for considering important reforms to rein in abusive health care prices and make health care more affordable for everyone. The journey to fully transform our health care system is long, but states such as New Jersey hold essential power to take significant steps. Families USA stands ready to support you in this urgently needed work. For further information, please contact Alicia Camaliche, Senior Policy Analyst, at [ACamaliche@familiesusa.org](mailto:ACamaliche@familiesusa.org).

Sincerely,



Sophia Tripoli  
Senior Director of Health Policy

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