

**New Jersey Business and Industry Health Committee meeting - Jan. 5, 2011**  
*Summary of the Commissioner's powerpoint delivered*

Health Care Landscape

The United States has highest per capita spending on health care of any industrialized nation. Current U.S. health care costs are projected at nearly \$2.5 trillion, about 17 percent of entire economy. Medicare and Medicaid alone will account for nearly a quarter of economy by 2050, if costs grow at just 2 percent more than GDP per capita each year. Along with increased cost, the United States' health care landscape has changed dramatically over the past century with longer life spans and greater prevalence of chronic illnesses. The baby boomer population continues to age and by 2020 seniors will account for over 20 percent of the overall population. It is expected that by 2023, incidence of chronic disease will rise dramatically.

Aging of the Population

By the year 2020, seniors will account for more than 20 percent of overall population. Although only 13 percent of population today, older Americans account for half of all physician visits and hospital stays. It is possible that the aging population will contribute to increased health care cost as adults aged 65 and older have the highest health care spending, averaging \$9,357 per person in 2007.

Burden of Chronic Disease

In New Jersey, 70 percent of deaths are attributable to chronic disease. Nationally seven out of 10 deaths are due to chronic diseases. In New Jersey, the leading causes of death are heart disease, cancer, stroke, chronic respiratory disease and diabetes. The economic costs of chronic disease are rising. With no changes, the cost of treating chronic disease in New Jersey could rise to \$82 billion by 2023.

NJ's Diverse Population

New Jersey is the third most diverse state in the nation. Minority and multicultural groups make up 39 percent of our population. Twenty-eight percent of residents speak another language at home besides English and more than 100 different languages are spoken in New Jersey. Additionally, the largest source of population growth since 2000 has been foreign-born residents.

New Jersey Health Care Quality

New Jersey is a health care quality leader. The Agency for Healthcare Research and Quality ranked New Jersey number 10 among states in overall health care quality. We ranked second among states in home health care patients who get better at walking. And New Jersey ranked third in patients with pneumonia that received recommended hospital care. Although we did well in the AHRQ rankings, there are opportunities where our state can improve. The Dartmouth Atlas ranked New Jersey number one in spending in the last two years of life. Additionally, our state ranked number one in percent of patients seeing ten or more physicians in the last six months of life.

Department of Health and Senior Services

At the Department, we are committed to protecting the public health, ensuring the delivery of high-quality health care, supporting our seniors and shaping health care policy. Some ongoing initiatives include championing the use of Health Information Technology, ensuring an adequate physician supply, implementing Health Reform, rebalancing long-term care options for seniors and undertaking Regional Health Planning.

#### Health Information Technology

Health Information Technology serves as the critical link to evidence-based medicine, to empowering patients and to improving care coordination. New Jersey is making progress in this area. Our state was awarded \$11.4 million in federal funds to work with four regional Health Information Exchanges (HIE). New Jersey is also developing a statewide HIE, which will serve as a backbone to all exchanges and will improve patient outcomes by making real time data accessible to health care providers across our state.

#### Health Reform

As part of Health Reform, New Jersey received a \$1.6 million grant, which will also allow us to improve public health. With this funding DHSS will create a statewide Local Performance Management Initiative to improve outcomes through improved local health performance. Through this enhanced collaboration with local and county public health partners, we will improve outcomes and the ability of health offices to meet national public health standards. Regional Health Planning is another initiative that will allow DHSS to improve quality and coordination of care. Working with local health officials, DHSS is using regional planning to redirect care out of emergency departments to Federally Qualified Health Centers that can provide preventive care to patients.

#### Physician Shortage

Critical to quality of care in our state is a sufficient supply of physicians. It is estimated that by 2020, New Jersey will need 2,800 more physicians than it currently projects to be practicing at that time. The Association of American Medical Colleges, Center for Workforce Studies has released new physician shortage estimates that, beginning in 2015, are 50 percent worse than originally anticipated prior to health care reform. The Department is excited to work with the physician community to develop initiatives to improve the environment of practice in our state.

#### New Jersey Seniors

In addition to improving health in our state, DHSS is also charged with ensuring our seniors have options that allow them to age with independence and dignity. To that end, our Department has been working on rebalancing funding to ensure that seniors have increased opportunities to age in home and community based settings. We have made significant progress. Previously 90 percent of funding was directed to nursing home based care, now only 70 percent is dedicated to this care and 30 percent is directed to home and community based care.

