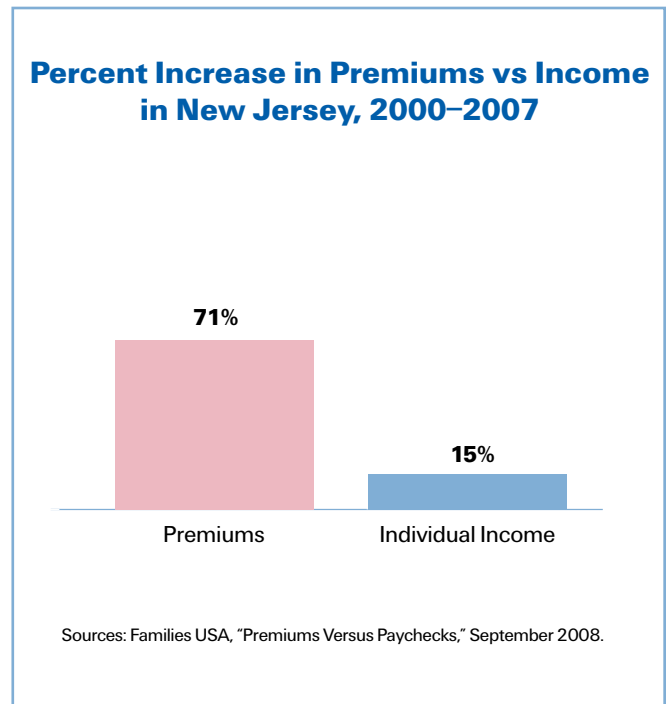
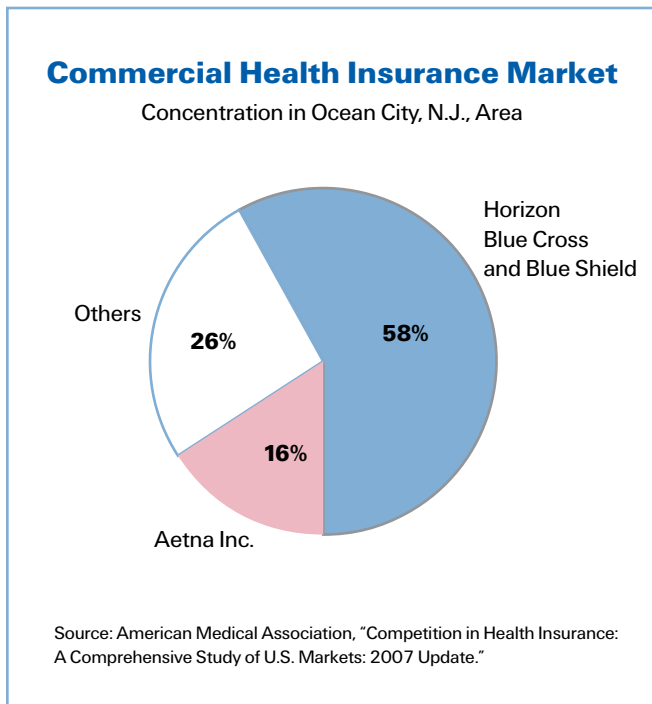


New Jersey Consumers Pay the Price For Health-Insurance Market Failure

- Horizon Blue Cross and Blue Shield, New Jersey's biggest health insurer, controls 43 percent of the state commercial market.¹
- Local markets in New Jersey are more concentrated; in Ocean City, Horizon Blue Cross and Blue Shield and Aetna Inc. together hold 74 percent of the commercial market.²
- Health insurance premiums for New Jersey working families have skyrocketed, increasing 71 percent from 2000 to 2007.³
- For family health coverage in New Jersey during that time, the average annual combined premium for employers and employees rose from \$7,592 to \$12,979.⁴
- For family health coverage in New Jersey from 2000 to 2007, the average employer's portion

- of annual premiums rose 64 percent, while the average worker's share grew by 97 percent.⁵
- Between 2000 and 2007, the median earnings of New Jersey workers increased 15 percent, from \$31,923 to \$36,700. During that time health insurance premiums for New Jersey working families rose 4.7 times faster than median earnings.⁶

If one company holds more than a 42 percent share of a market the U.S. Justice Department would consider that market "highly concentrated."⁷ This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with little fear of resistance.⁸



ENDNOTES

¹ Since the time the data reported by the AMA was collected, Horizon Blue Cross Blue Shield has accumulated a larger share of the market. Other data in this report show a lower market share for Horizon from the American Medical Association, "Competition in health insurance: A comprehensive study of U.S. Markets: 2007 update." AMA data in this report is based on combined enrollment in preferred provider organizations (PPOs) and health maintenance organizations (HMOs) in states and metropolitan statistical areas (MSAs) as defined by the U.S. Census Bureau. The AMA calculates market share by dividing an insurer's enrollment in a given product by the total enrollment across all insurers in a market multiplied by 100. Total enrollment is for commercial products only, including self-insured employer-sponsored PPO plans and individual coverage, and does not include Medicare, Medicaid, or Children's Health Insurance Program enrollments. Self-insured employer plans refer to PPOs only. Accessed at <http://www.ama-assn.org/go/competition2007>.

² American Medical Association, "Competition in health insurance: A comprehensive study of U.S. Markets: 2007 update."

³ Families USA, "Premiums versus Paychecks," September 2008. Accessed at <http://www.familiesusa.org/resources/publications/reports/premiums-vs-paychecks-2008.html>.

⁴ Ibid.

⁵ Ibid.

⁶ Ibid.

⁷ US Department of Justice, "The Herfindahl-Hirschman Index." Accessed at http://www.usdoj.gov/atr/public/guidelines/horiz_book/15.html.

⁸ American Hospital Association, "The Case for Reinvigorating Antitrust Enforcement for Health Plan Mergers and Anticompetitive Conduct to Protect Consumers and Providers and Support Meaningful Reform," May 11, 2009. Accessed at <http://www.aha.org/aha/content/2009/pdf/09-05-11-antitrust-rep.pdf>.

This report makes use of data published by the American Medical Association (AMA), which is not a member of the Health Care for America Now coalition. The AMA did not collaborate with HCAN on this report.