



OFFICE OF THE GOVERNOR

NEWS RELEASE

CN-001
Contact:

Emma Byrne
Nancy Kearney
609/292-8956

TRENTON, N.J. 08625

Release:

Thursday
October 18, 1990

FLORIO: HEALTH CARE COSTS THREATEN ALL NEW JERSEYANS

Health care costs in New Jersey are out of control and are a threat not only to this generation, but future generations as well, Governor Jim Florio today told participants at the Governor's Conference on Aging.

"The health care crisis is a national concern, but in the absence of any federal leadership on the issue -- George Bush's health care policy starts and ends with cutting Medicare -- we in New Jersey must deal with the problem on our own. We can't wait," said Governor Florio. "We need to make New Jerseyans aware that when you're fighting for affordable health care, you're not only concerned with your own generation, but generations to come."

Florio reiterated his strong support for Medicare assignment and an end to balance billing. The Governor pointed out that a major recommendation from his Health Care Commission urged the state to take legislative action to mandate Medicare assignment to protect senior citizen's from the escalating costs of health care. Balance billing is the practice of allowing doctors, under federal regulations, to charge over the Medicare rate which increases out-of-pocket expenses for seniors.

"This idea is just plain common sense. Doctors in New Jersey ought to make do with the Medicare fee for services and not charge seniors above that cost," said Florio, who pointed out that the state could follow the lead of other states where pharmacies can offer discount coupons to customers.

While some argue that prohibition of balance billing will not save the state or federal government money, it will save seniors millions of dollars. Last year, New Jersey seniors spent \$129 million out-of-pocket for physician bills, while only 25 percent of New Jersey doctors accepted Medicare rates as payment in full. Seniors on a fixed income often find 20 percent of their income is spent on costs related to health care. The average income for seniors in New Jersey is \$14,500 which means that an estimated \$2,900 is spent on health care costs annually by each senior citizen.

"Health care costs are now one of the largest parts of the family budget. They eat at our quality of life," Florio said. "Any solution to the health care cost crisis must address the problems of the whole system and all those involved."

Florio also emphasized preventive medicine as a key component to solving the state's health care cost crisis. "We must make home care more available and more easily covered by insurance," Florio said. "Such coverage is not only more effective, but it's much cheaper."

"The health care cost crisis, when you come right down to it, is a man-made mess. So it's up to us to solve it," Florio said. "The consequences of doing nothing are very real to millions of New Jerseyans."

The Governor's Conference on Aging, last held in 1980, convened senior leaders from groups such as the American Association for Retired Persons, the Long Term Care Coalition, United Senior Alliance, as well as state and county offices on aging. This year's conference focused on three issues - housing, age discrimination and long-term care and outlined a platform for the 1990's.

###