

Budget Protects Vulnerable Citizens

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Budget Protects Vulnerable Citizens, but Leaves Behavioral Health System Underfunded

The New Jersey Association of Mental Health and Addiction Agencies, Inc. (NJAMHAA), which represents more than 150 hospital-based and freestanding providers of mental health and addiction treatment services throughout New Jersey, today expressed appreciation that the approved FY 2011 state budget restores some resources for New Jersey's vulnerable populations, but noted that the fiscal plan still fails to adequately address the needs of the state's behavioral health care community.

"We understand that New Jersey's unprecedented deficit and the lingering effects of the economic downturn created an extremely difficult task in developing the Fiscal Year 2011 budget. We are heartened to see that Governor Christie and the members of the Legislature recognize the importance of protecting New Jersey's citizens in need of social services," said Debra Wentz, Ph.D., NJAMHAA CEO. Highlighting the commitment to New Jersey's vulnerable populations are the decisions to restore \$22 million for general assistance to New Jersey's low-income citizens, \$10.3 million for supplemental security income for the disabled, \$9 million for care for the homebound elderly, \$3 million for sheltered workshops for the disabled, the elimination of \$3 co-pays for adult medical day care recipients and an increase in hospital charity care funding. NJAMHAA is also pleased that the budget restores \$1.4 million for the Center for Hispanic Policy, Research and Development, a vital aspect of New Jersey's social services and policy development for the Hispanic community.

NJAMHAA also applauded the decision to restore \$6.4 million to keep the Senator Garrett W. Hagedorn Gero-Psychiatric Hospital in Hunterdon County open while a task force examines the ability of the community system to serve those who would be displaced. "While NJAMHAA strongly believes that community providers can offer individuals living with mental illnesses the best opportunity to achieve wellness and recovery, New Jersey must examine the needs of those served at the institution, as well as the impact on community health providers, which are already stretched thin," said Wentz.

New Jersey's community mental health care system is struggling to meet increasing demand with shrinking resources. The budget cuts more than \$7 million from community contracts in the Division of Mental Health Services, although it provides additional funding to meet the needs of individuals moving out of state psychiatric institutions, and also cuts nearly \$4 million from those in the Division of Addiction Services. These reductions offer a perfect example of New

Jersey's often pennywise and pound-foolish thinking. "The future costs of such cuts are incurred throughout the state from avoidable hospitalizations, incarceration, homelessness, disability, unemployment and lost productivity in the workplace," stated Dr. Wentz. "Currently, untreated mental illnesses cost New Jersey taxpayers several billion dollars in local and state taxes every year."

For example, one year of care in a state psychiatric hospital can cost \$178,000, while the annual cost of a group home could be less than half that amount, while the state spends an average of only \$600 in contract dollars for one year of community outpatient services for an adult. Another striking example is the cost of incarceration compared to community based addiction treatment. Incarceration costs \$49,000 per year, while one year of residential treatment represents an investment of \$25,000.

"There is no denying that New Jersey is in a fiscal crisis," said Dr. Wentz. "However, there is also no denying that the solution does not lie in restricting access to cost-effective community-based services that strengthen individuals and, in turn, strengthen our state."