Invest in a Healthy New Jersey
The community-based behavioral health system of care is the safety net for New Jersey’s most vulnerable residents – those with mental health and/or substance use disorders.

More than 500,000 children and adults depend on the services this system delivers every year.

These services have been proven effective in helping people manage and recover from their illnesses and achieve personal goals, while offering a great return on investment for the State of New Jersey!
Providers of mental health and substance use treatment have been providing integrated care and care management for many decades. They have always looked beyond a diagnosis to a person’s general health needs, their social supports, their basic needs of food and housing and to other social determinants of health.

As the universe of primary care providers and insurers has recognized the importance of mental health, substance use treatment and social determinants to the physical health of their patients, new initiatives continue to be explored and expanded to address these aspects of health. Yet, it remains the domain of the community behavioral health providers to serve a majority of the “super-utilizers”: those who, along with a serious mental illness or substance use disorder, suffer severe medical conditions, and for whom comprehensive care has the greatest potential benefits.

Why then is this core system starved for funding? Where, following nine years of no cost of living adjustments in their contracts, providers faced severe cuts in revenue as they were shifted to a fee-for-service reimbursement system. Where staff salaries begin $8,000 to $10,000 below comparable state positions and stagnate while the gap grows wider. Where recruitment and retention become more difficult and turnover rates skyrocket. Where those served have an average 25 year shorter lifespan. Where retail outlets and fast food establishments are able to offer better pay and less stress on the job.

Join us as we explore the challenges and opportunities facing community behavioral health providers and their great potential to lift individuals, communities and the state’s bottom line!

“Don’t tell me where your priorities are. Show me where you spend your money and I’ll tell you what they are.”

– James W. Frick
In 2017, New Jersey transitioned a majority of community behavioral health programs from contract funding to a fee-for-service (FFS) reimbursement system. Revenues were significantly negatively impacted for outpatient and residential programs at the same time that Medicaid regulations would now need to be applied that demand more from providers. Examples of those regulations include: extending group therapy time from 60 to 90 minutes; requiring higher levels of licensing for staff for various responsibilities; and reductions in the size of groups that may receive therapy. Each change had a price tag, as did other regulatory changes, such as a reversal of the 70-year-old exemption from motor vehicle registration fees for non-profits.

Also impacting organizational budgets were the many laudable, though costly, state and federal mandates that protect and support the workforce. The New Jersey Association of Mental Health and Addiction Agencies (NJAMHAA) supports these new laws, such as increased minimum wage, paid sick leave, new overtime rules and more. However, the lack of sufficient financial support for these new policies is contributing to operating deficits and threatening the long-term sustainability of many programs.

Providers have documented their losses – revenue losses ranging from a couple hundred thousand to several million dollars; staff losses that cut clinicians by 75% in some cases; capacity losses and even closures; as well as the inability to support critical facets of service, such as the outreach and engagement necessary to successfully treat the very vulnerable populations they serve. The results have been to discontinue outreach to individuals with serious mental illness or substance use disorders who are no-shows for multiple appointments; watch as those who cannot afford their copays and deductibles cease treatment; and decrease the levels of psychiatric care and number of licensed clinicians, directly impacting access to care by reducing capacity and affecting wait times.

In 2017, a law was passed requiring a study of the new FFS reimbursement levels. That study has yet to be commissioned with the awarding of a contract, suffering delay after delay. In the interim, supplemental funding was, and is, needed to keep providers whole. It is estimated that $25 million is needed to reach the level of funding providers were previously receiving, and that does not account for increased costs to comply with new regulations and policies.

New Jersey and the nation are facing both a suicide epidemic and opioid crisis, yet New Jersey has implemented reforms that not only have led to limited access to care in many areas, but which have also contributed to recruitment and retention difficulties and historically high turnover rates in community behavioral health programs.

**LEGISLATIVE PRIORITY**

Pass legislation restoring the motor vehicle registration fee exemption for all non-profits.
Investing in our workforce is essential to creating a **stronger** and **fairer** New Jersey.

– Governor Phil Murphy

Community behavioral healthcare providers are facing a workforce crisis. Historically, funding levels have never permitted community providers to be competitive with other industry segments of the field; fee-for-service (FFS) reimbursement rates have only worsened the disparities. Having had no cost of living adjustments (COLAs) for the nine years prior to transitioning to FFS, followed by a reduction in revenues and increased workloads after the transition, turnover rates at these organizations are at an all-time high. The situation is dire as fewer individuals are entering the behavioral/social work fields at a time when providers are faced with an aging workforce.

The community behavioral health workforce is professional and dedicated. The work they do strengthens individuals, families and communities. They save and restore lives. They are, for the most part, severely underpaid and over-stressed.

The fiscal effects of recent minimum wage increases have not yet been felt by most organizations, or their employees, as wages at most not-for-profits already were at current levels in order to compensate for the difficult work and required education and training, and to successfully compete in the broader marketplace. But, the increases have certainly had an impact on the workforce in another way – many have left and many continue to leave for positions in retail, fast food or other industries where the pay is comparable, the work is less difficult, and the stress is minimal.

As the minimum wage continues to increase to $15 over the coming years, New Jersey must provide additional funding to not only support the mandated minimums, but to also avoid the full compression of the wage scale, which is currently supported by rates that have not permitted providers to compensate professionals with Master’s degrees much above that which those in entry level positions will be earning under the new minimum.

If New Jersey wishes to maintain, and continue to improve, both access to and the quality of its community behavioral health system of care, it must support a robust workforce. And, to avoid a worsening of the shortage of child psychiatrists, a critical priority to be addressed immediately is to bring the rate for children's psychiatric assessments in line with the adult rate. The Department of Children and Families has been working with the Division of Medical Assistance and Health Services on this matter for a year or more. New Jersey’s children and families can wait no longer.

**BUDGET PRIORITY**

Increase the fee-for-service supplemental budget line to $25 million for FY2020 and include $25 million in the FY2021 and future budgets until rates are reviewed for adequacy and adjusted accordingly.

**BUDGET PRIORITY**

Appropriate funding to fully cover all costs to behavioral health providers resulting from minimum wage increases and other newly implemented labor policies, such as family leave and overtime rules, ensuring the wage scale is not compressed.

**BUDGET PRIORITY**

Increase the children’s psychiatric assessment rate ($130) to equal the adult rate ($438).
Investing in Community Behavioral Health Is a Win-Win!

Opportunities for Immediate Investment

There are so many simple and direct ways for New Jersey to invest in community behavioral health and quickly realize a bottom line fiscal return on that investment, in addition to the improved health and outcomes of individuals served. As noted in the main findings of a 2017 report by KPMG and the Commonwealth Fund, “Contrary to general assumptions, investments in social services can yield a return on investment (ROI) in a short period of time (12 - 18 months).”

Among the investments New Jersey should be making immediately are:
• Expansion of School Based Youth Services with funding doubled in FY2021
• Expansion of the Early Intervention Support Services program to all 21 counties
• Financial support for the newly established Screening Center expansion grant opportunity program
• An appropriation to support upgrades to Electronic Health Records (EHRs) for all behavioral health providers
• Capital funding for behavioral health providers to integrate primary care at their facilities

A family came to NewBridge shortly after the placement of their two children in foster care with a relative. The father of the children, Mike*, was reluctant to engage in treatment and untrusting of the Division of Child Protection and Permanency and any related agencies. He struggled to develop a trusting relationship with his clinician at NewBridge so that he could more deeply explore parenting challenges. He was recommended to complete the Nurturing Parenting Group at NewBridge, which helps develop positive nurturing beliefs, knowledge and skills in parents. Mike eventually developed into a leader in this group, sharing his experiences parenting his own children and engaging well with peers in similar situations. He successfully completed the group, went on to engage more readily in individual treatment, and, ultimately, became an active participant in his children’s treatment. While initially reluctant to communicate with the relative providing foster care for his children because of a tumultuous history, he came to understand the benefits of supporting his children in maintaining a relationship with the relative who cared for them. Mike was ultimately successfully reunified with both of his children, now as a single father, and is striving in providing a nurturing and supportive environment. He has taken active steps in supporting his children’s relationship with the relative who provided foster care for them. He has successfully completed his own treatment at NewBridge and has continued to participate in his children’s treatment since the reunification.

(*Identifying information has been removed from this story to protect the confidentiality of the family.)
School Based Youth Services

In New Jersey’s FY2020 budget, the Department of Children and Families was charged with the task of establishing, in consultation with the Department of Education, a school based behavioral health pilot. The model already exists! It is the School Based Youth Services Program (SBYSP).

The SBYSP was first implemented in New Jersey in 1988 and is currently established in 91 schools. Community-based organizations that have contracted to deliver these services have fully embraced the model and intent, which is to offer integrated care services at or near schools in a way that decreases stigma. The core services include individual and family counseling; primary and preventive health services; drug and alcohol abuse counseling; employment counseling, training and placement; and recreation.

Each program has uniquely expanded on these core services, offering diverse additional services including dental screening, clubs (e.g., homework club, gay/straight alliance), suicide prevention and anti-bullying initiatives, after school programs, summer programs, pregnancy prevention and more. With parental consent, all students at host schools can participate in SBYSP activities and use SBYSP services.

New Jersey should double the funding for SBYSP in FY2021 and develop a plan for expanding it to all school districts. The program must also expand fully from high schools to middle schools, as many high school students have said they wish they could have accessed these services earlier.

School Based Youth Services Program

Analyzed outcomes only for high and middle school students who participated in relevant activities:

- Better in School = Academic help
- Life After School = Resume/Job application help and/or College readiness
- Get Along Better = One on One or Group counseling and/or Recreation

Every dollar spent on better treatment of anxiety and depression produces a return of $4 in better health and ability to work.

– World Health Organization April, 2016

BUDGET PRIORITY
Double the investment in New Jersey’s School Base Youth Services System.
Early Intervention Support Services and Screening Center Services Expansion

Early Intervention Support Services (EISS) currently exist in 11 counties, leaving residents in New Jersey’s other 10 counties (Burlington, Cape May, Gloucester, Hunterdon, Passaic, Salem, Somerset, Sussex, Union, and Warren) unable to access these critical mental health crisis services. These cost-efficient programs have proven to be very successful and improve access to timely care. Most are affiliated with Screening Centers to maximize diversion from hospitalizations. Amendments to last session’s expansion bill (S1635) required each EISS program to have a written affiliation with at least one Screening Center and also provided for a phase-in of the 10 county expansion.

The newly established (2020) opportunity for Screening Centers to submit proposals to increase their mobile, satellite and other outreach services has the potential to further reduce emergency room visits and hospitalizations, but the new initiative lacks funding support.

JOE

The Morris County EISS program worked with Joe, who presented with co-occurring symptoms of depression and active substance use. He had been in the hospital on several occasions; however, he became non-adherent with treatment recommendations once he was discharged. EISS received a referral to work with Joe, who was then admitted into the program and attended the first couple of appointments. He then stopped coming and since he could not be reached by phone, his clinician drove to the home to check on him. Even though Joe was home, he did not answer the door. The clinician then called from a cell phone. Joe was so moved by the attempt to reach him that he came to the door. He was re-engaged in EISS, stabilized with therapy and medication, and linked to outpatient substance use treatment services. He later became trained as a peer counselor in a local nonprofit where he is experiencing much success and he has been sharing his recovery experience with community groups.

("Name has been changed to protect client’s confidentiality.")

BUDGET PRIORITY

Appropriate $1.5 million to support the Screening Center outreach and early intervention grant program.

LEGISLATIVE PRIORITY

Pass A1242 / S1137 (with amendments) to expand the EISS program to all 21 New Jersey counties over three years.
Electronic Health Records

Electronic Health Records (EHRs) are an essential tool for quality care. They are required in some instances by the state and/or accreditation bodies; they are a necessity in following best practices in treatment, to efficiency in billing and measuring outcomes, and to being able to effectively collaborate and maintain, or move toward, integrated and value-based care. However, it is only in the past year that Congress made incentives accessible to substance use disorder (SUD) treatment providers. In recent years, New Jersey has also made funding available to SUD treatment providers for implementing and upgrading EHR systems. Providers of mental health services have been overlooked at both levels. These significant expenses are one more example of costs not supported by current reimbursement rates. Appropriations are needed to ensure New Jersey’s community providers are properly equipped with this most essential tool and adequately prepared for the emerging trends in health care.

Capital Funding Is Critical to Integrated Care

Integrated care is known to achieve the best positive health outcomes for individuals served by the community-based behavioral health system who are known to have acute co-morbidities that shorten their life expectancy. They comprise a large portion of the population known as “high utilizers”. While some community-based behavioral health providers currently provide primary healthcare services, either within their own facilities or through collaboration with primary care practices, investment is needed to expand the ability of all provider organizations to do so. Burdensome regulatory requirements combined with a lack of capital funding have prevented organizations from providing invaluable and cost-effective integrated care. New Jersey must take greater strides toward comprehensive care by providing capital funds to enable providers to meet facility requirements that are not waived.

BUDGET PRIORITY

Appropriate $10 million to support providers of mental health services to upgrade and/or fully implement and maintain interoperable EHR systems, and renew the $6 million appropriation for substance use treatment providers to do the same.

BUDGET PRIORITY

Appropriate $10 million as an initial investment into facility resources for behavioral health providers to further integrate primary medical care.
Planning for the Future: Sustaining Improvements to Fiscal Support, Practice and Models of Care

New Jersey should also be making several investments that do not address immediate needs, but look to sustain the improvements that are arrived at by current efforts to develop the highest quality community behavioral health system of care. These include:

- Establishment of a sustainability and expansion plan for New Jersey’s Certified Community Behavioral Health Clinics (CCBHCs)
- Establishment of a formula for upward adjustment of rates and contracts

Sustainability for CCBHCs
There is a need to acknowledge that addressing the acute co-morbidities of individuals treated for mental illness and substance use disorder demands more from programs – more case management and care coordination, integration of primary health care, more highly credentialed staff, direct treatment for co-occurring disorders, engagement and more ongoing care for individuals at higher risk than might have been required in the past. One model that has not only met these demands, but has also established a full continuum of care with enhanced EHR capabilities and extensive community collaborations is CCBHCs. New Jersey now has nine CCBHCs. Seven are funded under the initial federal demonstration program; the remaining two are funded by one-time federal expansion grants appropriated in the fall of 2018. New Jersey’s seven CCBHCs that began operating in 2017 have achieved remarkable outcomes to date, including the following:

- Three CCBHCs noted reductions in psychiatric hospitalizations in their regions, with one region experiencing a 65% drop.
- Two CCBHCs noted 26% and 33% drops in emergency room screenings.
- Many CCBHCs reported on the increased percentage of their clients receiving medication assisted treatment, ranging from 30% to 100%.
- All CCBHCs saw an increase in the number of clients served.
- A decrease in wait times also was achieved by the CCBHCs, with one organization reducing wait time for a first appointment from 21 days to fewer than four days.

Sustainability for the Entire Community-based Behavioral Health System of Care
To maintain the fiscal viability of all programs after adjustments to rates are made in accordance with the findings of the yet to be conducted independent study, it is absolutely necessary to establish a formula that will tie rates to inflation so that the community behavioral health providers do not repeatedly face operating deficits as the adequacy of rates erodes over time. It is broadly acknowledged that current rates have not kept pace with rising costs and inflation. When rates are adjusted to once again support fiscal viability, their future sustainability must also be ensured.

Maria
At 16 years old, Maria* was referred to a CCBHC by Hudson County Probation after multiple attempts to remain drug-free in a lower level of care. She had a strained relationship with her mother due to her substance use and legal troubles, and was struggling with the recent death of her father from an overdose, for which she blamed herself. Through medication monitoring, clinical interventions including journaling, cognitive behavioral therapy and introduction to the 12-step philosophy, Maria began to believe in herself and commit to meaningful change. She completed the program with a discharge plan that included intensive outpatient treatment, Narcotics Anonymous meetings and continued psychiatric medication monitoring. Maria completed probation, was accepted into Job Corp where she completed her education and is now training to be a Certified Nursing Assistant and Security Analyst. She has secured full-time employment, is enjoying improved relationships with her family and is pursuing career opportunities. She returned to the facility for its quarterly Completion Ceremony to share her experience, strength and hope.

(*Name has been changed to protect client’s confidentiality.)
According to several conservative estimates, every dollar invested in addiction treatment programs yields a return of between $4 and $7 in reduced drug-related crime, criminal justice costs, and theft. When savings related to healthcare are included, total savings can exceed costs by a ratio of 12 to 1.

- National Institute on Drug Abuse, National Institutes of Health, Jan. 2018
The New Jersey Association of Mental Health and Addiction Agencies, Inc. (NJAMHAA) is a statewide trade association representing 144 organizations that serve New Jersey residents with mental illnesses and/or substance use disorders, and their families. Our members, who employ more than 61,000 individuals, may be found in every county and almost every community statewide. They serve more than 500,000 children and adults each year.

Community-based services are cost-effective, and offer an exceptional return on investment! Investing in community-based services is the right thing to do for the state’s fiscal viability and the health and well-being of New Jersey residents.

NJAMHAA calls on the Legislature and the Administration to invest in community behavioral health care and the behavioral healthcare workforce through support and implementation of our budgetary and legislative recommendations.