valuing
the lives of all New Jersey residents
and the providers who save and improve lives
New Jersey Association of Mental Health and Addiction Agencies, Inc.
“There is no passion to be found playing small - in settling for a life that is less than the one you are capable of living.”

- Nelson Mandela
Everyone wants to feel their life has value; that their existence matters to the world. That they have not “settled” for a life that is less.

Each and every day, individuals strive to leverage the value of their lives in ways that benefit their families, friends, neighborhoods, businesses and communities – to make strong, positive contributions. It is not an easy task for anyone, but imagine what it is like for someone living with a mental illness or struggling with substance use.

Let’s take Joel for example. At the age of 18 – a tough time for anyone – he was dealing with the break-up of his family and bipolar disorder. He stopped taking his medication, wasn’t sleeping or eating, and was using drugs and alcohol. His symptoms were so debilitating, he dropped out of community college. In his words, “I was feeling really down.”

And there’s Vanessa, who says she was stealing, cutting school, fighting and had absolutely “no thought about where I was headed.” She says the only constant in her life was drugs. And there is Vera, who also had turned to drugs. A drug user since the age of 11 to numb the horrors of emotional abuse and rape, she was heading for juvenile detention at the age of 15.

John joined the U.S. Army Signal Corps as a young man, but it was not a good fit for him. After three years, he was out of the army, abusing drugs and alcohol, had no direction and was living on the streets. Estranged from family and friends, John was, in his words, “falling into depression and ended up homeless and hopeless.”

And then, there is Mary. Neglected, left to fend for herself, often without enough food to eat, Mary was placed in foster care. By the time she was seven years old, she had been through two failed adoptions and a third was on shaky ground. Unable to form normal attachments to her prospective parents as a result of neglect, Mary was exhibiting extreme, difficult behaviors, including screaming, breaking things, throwing tantrums, and once even threatening a foster family member with a knife.

Recognizing their own contributions – valuing themselves – can sometimes become lost in the quagmire of addiction, a battle with mental illness, or both of these challenges, as well as the impact of neglect. Often, people “lose” themselves in the struggle, but it does not mean their lives are no longer of value; it is just that they are overshadowed by disease, despair, and depression.
Having dealt with the break-up of his family, suffered from bipolar depression and used alcohol and drugs, Joel says he was “feeling really down” at the age of 18. He stopped taking his medication, ended up in the hospital with a mental breakdown and dropped out of community college.

Desperate for support and stability, Joel joined the Crossroads program at NewBridge Services in Morris County, which provides mental health and substance use treatment, among other services. There, he became involved in the Enrich horticulture program, and in the words of his case manager/horticulture therapist John Beirne, began to “blossom” and became a compassionate, gifted gardener.

Joel says the horticulture program “helped me to look forward, put structure in my life, and gave me the opportunity to talk about almost anything.” Beirne explains that the horticulture program teaches individuals to care not only for the plants, but also for themselves. “It teaches them that you can’t plant a seed and then walk away from it. They have to be committed and responsible, just as they have to be committed to their own wellness and recovery.” Beirne says Joel “has amazing insight and is a very empathetic person. He connects with people of any age, from their 20s to their 70s, and is now teaching the new clients.”

“If I weren’t here,” says Joel, “I would still be jobless and abusing alcohol, partying every day… wasting my life away. But now I have long-term goals...”
The majority of those struggling with the challenges of serious mental illnesses, substance use, or a combination of such illnesses, live and receive services within their communities. They turn to the 180 member organizations of the New Jersey Association of Mental Health and Addiction Agencies (NJAMHAA) that make up the majority of this community-based system.

These nonprofit, community-based mental health and substance use treatment providers make up the public safety net where uninsured and underinsured people go and are not turned away. These providers are driven by their mission to serve those among us who are most vulnerable; those who, without the support of these organizations, might slip through the cracks.

These organizations – hospital-based, as well as free-standing – offer a broad range of services, including:

- Crisis intervention
- Inpatient and outpatient treatment
- Housing
- Supported employment
- Outreach services
- Various other supports

The services these community-based organizations provide are cost-effective and proven to enable individuals to manage – and even recover from – mental illnesses and substance use disorders. The cost, and especially the value, of providing these services deserve recognition and support from the greater community.

The services these organizations provide literally save lives and enhance the overall quality of life.

There are thousands of inspiring success stories of individuals overcoming addictions and reuniting with their families. Stories of people managing symptoms of serious mental illnesses and securing meaningful employment; and still of others pursuing further education, finding stable housing and achieving other goals that strengthen their well-being and independence.

And, although these organizations serve more than 500,000 children and adults in New Jersey each year, only 30 percent of those with serious mental illnesses and just 6 percent of those with a substance use disorder receive treatment annually. Among the disheartening statistics is the fact that 31,145 adults who sought substance use treatment in the state were turned away because of a lack of capacity, according to the New Jersey Division of Mental Health and Addiction Services.

“The services these organizations provide literally save lives and enhance the overall quality of life.”
“Vera received treatment and counseling to overcome the horrors of her childhood.”

As the 2013 winter holidays approached, Vera called the Executive Director at Daytop Village of New Jersey, James Curtin. She was remembering her time there, when the Daytop family made her holiday season a loving and memorable one... perhaps the first in her young life.

At the age of 15, Vera was dragged “kicking and screaming” into Daytop, with two options: either get off drugs or spend a year in juvenile detention. At Daytop, Vera received the treatment and counseling she needed to overcome the horrors of rape and the emotional abuse of her childhood, and to stop using drugs so she could move on with her life.

Now 25, and with a beautiful two-year-old daughter, Vera told Curtin she looked forward to creating those same loving holiday memories she experienced at Daytop with her child.
Let’s look at substance use and mental health services through the lens of economics. According to the Economics Department at Harper College, “Economics is the study of making choices. We need to make choices because we as individuals, and as a society, experience scarcity. There are not enough resources available to produce all of the things we want because resources are limited, but our wants are unlimited.” In the case of managing mental health and substance use issues, we might look at “wants” in terms of “needs”.

Mark Healy, an economics professor at Harper College, says that “by examining the trade-offs between the various options that we face when we make choices, economics helps us to understand how to make the best use of our limited resources.” Healy says that “scarcity can be reduced by making the right choices,” and that there really are only three choices for society:

- Achieve economic growth.
- Reduce wants/needs.
- Use existing resources wisely.

From the perspective of NJAMHAA and its member organizations, achieving economic growth and using existing resources wisely make sense. Reducing wants and needs is not practical.

New Jersey: Alcohol and Drug Use Treatment*

Total number of adults needing treatment 964,587
Total number of adults seeking treatment 87,140
Number seeking treatment who did not receive it 31,145

* All figures are from the NJ Department of Human Services, Division of Mental Health and Addiction Services, 2014-2015 Block Grant application

Unmet Demand as Percent of Total Demand 36%
Among the 8.9 million people in New Jersey, an increasing number are grappling with substance use disorders – 985,000 – while one in every four are living with mental health disorders. And often, these individuals are dealing with co-occurring issues; 60 percent of those battling long-term substance use have mental illnesses.

Adding to the struggle? Homelessness.

There were more than 25,000 people living homeless in New Jersey in 2013. Importantly, 25 to 40 percent of those who are homeless – from 6,250 to 10,000 – have severe and persistent mental illnesses. There are another 9,932 people who live in sub-standard housing; many of whom may lose their housing and end up living on the streets.

Just under one-third of those individuals with mental health disorders are able to access treatment. The statistic for those receiving treatment for substance use is even more staggering – just 6 percent! Importantly, these individuals also often have additional conditions such as heart disease and diabetes that are commonly left untreated. For those with mental health issues, this often means a lifespan shortened by about 25 years. Even more tragically, those living with co-occurring disorders can expect to live 37 fewer years than the general population.

The lack of available resources, particularly for the treatment of substance use disorders in the face of a rising epidemic of the abuse of heroin and prescription painkillers, is at a critical stage. According to the state Department of Human Services, an estimated 87,000 individuals with substance use disorders will seek treatment in New Jersey – that number is up from 72,000 just one year ago.

In 2013, New Jersey had 361 facilities providing substance use treatment – up from 341 in 2007, according to the Substance Abuse and Mental Health Services Administration. Among these facilities, 210 were private nonprofits, 127 were for-profits, and 24 were operated by the government. Some 200 of the total number are dedicated solely to substance use treatment.

Where does this leave Joel, Vanessa, Vera, John and Mary as they struggle to deal with the day-to-day issues they face in terms of their mental illnesses, substance use disorders and other difficult situations? With the scarcity of resources to help them, how do they find the value in their lives once again?
“Fighting, cutting school, stealing, with no thought about where I was headed… the only constant in my life was drugs. It’s no surprise that I was arrested,” says Vanessa. She says, to her surprise, “Being locked up actually opened the door to the rest of my life.”

Vanessa was given the choice of going to New Hope Foundation, instead of a youth detention center. “It was probably the only smart thing I’d done up to that point.”

“New Hope counselors helped me overcome my physical and emotional dependence on drugs,” explains Vanessa. “They also made education a part of my recovery plan.” She took that plan and made it her roadmap to success… completing her studies through New Hope’s virtual high school where she developed “a real love of science” and graduated with her class. “It set my career path in motion. New Hope helped me find my calm mind and use it to create a future,” says Vanessa.
"It takes a unique individual to do this kind of work. It is so phenomenal."

JOHN

After three years with the U.S. Army Signal Corps, John realized it was not a good fit. He found himself out of the army, with no plan or direction, abusing drugs and alcohol and living on the streets. "I was moving from one job to the next," says John, "until I was unemployed. I lost all sense of purpose and was becoming isolated from my family and friends." John says he moved away from everything—sports, music, and art. "I was falling into depression and ended up homeless and hopeless."

John underwent inpatient psychiatric care, and eventually turned to Community Hope’s Hope for Veterans program in Bernards Township. The program provides beds for 95 veterans who can live at the transitional housing program for up to two years while accessing on-campus Veterans Affairs health services, job opportunities, and support from Community Hope’s case managers and job coaches.

Effusive in his praise for the staff at Community Hope, John says, "It takes a unique individual to do this kind of work. It is so phenomenal." He believes unquestionably in the value of mental health treatment and services. He says that without that help, his life had three possible paths: "a jail somewhere in New Jersey, a psychiatric institution, or a cemetery. These services save more lives than people know."
Access to treatment – such as that wanted and needed by Joel, Vanessa, Vera, John and Mary – enables individuals and families to be healthy and productive and avoid crisis! Keeping individuals in recovery and out of crisis saves taxpayer dollars by preventing:

- County and state psychiatric hospitalizations
- Criminal justice and child welfare involvement
- The need for disability insurance payments
- Unemployment
- Inappropriate incarceration
- Medical complications
- Non-psychiatric medical care
- Absenteeism and lack of productivity
- The need for school intervention strategies

Access to treatment also reduces suicides, keeps families whole, and maintains and increases the quality of lives.

The economic consequences of untreated mental illnesses and substance use disorders are staggering. Untreated substance use disorders cost the State of New Jersey $3.8 billion a year. The cost of untreated mental illnesses takes $4 billion from the state’s budget, primarily in the costs of non-psychiatric medical care, incarceration, unemployment and disability.

Treatment is effective – both for the individuals and for the state’s budget. Studies show that substance use treatments can reduce criminal activity by up to 80 percent. There are two studies that demonstrate a decline of more than one-third in per-capita costs for inpatient and emergency room care following mental health care and substance use treatment.¹ Another study reported a more than 50 percent drop in total per patient, per month medical costs; and still another study shows that overall Medicaid-covered medical and psychiatric services decreased by 44 percent in the year after treatment for co-occurring disorders.² Among patients who achieve abstinence after treatment, family members’ healthcare utilization and costs remained reduced five years after treatment.

Treatment for mental illnesses is highly effective. For those who can access care, 70 to 90 percent are able to reduce their symptoms and the impact of their illnesses, and improve their quality of life with a combination of treatment and support.

Importantly, treatment restores individuals’ feelings of personal value as they again enjoy life as loving, responsible parents, hard-working employees and taxpayers, and involved and engaged citizens.
IMPACT OF FEE FOR SERVICE

Burdened by excessive federal and state-required documentation and regulations that often prohibit responding to the specific needs of consumers, community-based organizations are struggling to remain true to their missions.

Inflation has far outpaced the Cost of Living Adjustments (COLAs) organizations have received. Business costs have risen far in excess of 30 percent in the past 10 years, while COLAs in that time have increased by less than half that. Community-based organizations are small businesses and, as such, have been hit hard by the increased costs of doing business. They are finding the need to rely more and more on donations – but, in an economy that has not yet rebounded significantly, donations continue to be lower than they have been in the past.

And now, organizations are facing a move from contract funding to a fee for service system.

Under a contract funding system, community-based providers serve Medicaid beneficiaries, as well as subsidize the costs of treating non-Medicaid eligible adults and children without insurance. They also serve indigent individuals and others who pay based on sliding fee scales. Some are insured, but have disabling mental health or substance use diagnoses for which treatment is not covered by their insurers.

Although expansion of coverage under national healthcare reform will alleviate some concerns about access to treatment, the critical issue at the state level is the impact of fee for service payment rates on provider organizations.

Under the new state system, community-based organizations will need to meet additional administrative requirements, including securing third-party authorizations to provide services. Documenting services provided and clients’ progress, conducting quality improvement activities, and training staff are all areas, among others, that will require increased activity and administration. There also are additional requisite functions for integrating care that are not billable face-to-face services, but are necessary to achieve compliance with regulations. These activities take up a considerable amount of direct service staff time. Rates must compensate for all of these costs and time requirements.

Reimbursement rates must not only ensure the continued viability of community-based organizations, but also support their growth to meet the increased demand. The rates must support providers’ cost of doing business, enabling them to reach their full potential as viable businesses and economic engines integral to New Jersey’s fiscal base, while still meeting the needs of all consumers.
MARY

Almost from the time she was born, Mary was neglected and unable to form normal attachments to her parents as a result. At a very young age, Mary and her brother and sister often were left to fend for themselves – there was never enough food to eat and the refrigerator often would be locked. When the neglect was discovered, the children were placed in separate foster homes because of their resulting severe behavior problems. Two families attempted to adopt Mary, but after realizing the deep rooted issues with which she struggled, they were unable to cope.

Bob and Irene fell in love with Mary’s bubbly personality and were committed to adopting her, but struggled to deal with the anger and tantrums whenever they set limits for her. Desperate, they sought assistance from Robins’ Nest in Glassboro, where they learned from Mary’s therapist that she suffered from reactive attachment disorder and oppositional defiant disorder.

The Parent-Child Interactive Therapy (PCIT) program at Robins’ Nest provided the counseling Mary desperately needed. PCIT therapists worked with Mary and her parents in two structured phases over a 20-week period. Phase One focused on development of play therapy skills, nonverbal communication, parenting skills and attachment. Phase Two concentrated on setting limits, establishing consistency in behavior and communication, problem solving and reasoning to achieve the preferred behaviors in Mary. With the great strides the family made through PCIT, Mary is doing wonderfully. Her social skills have improved tremendously, she has learned how to control her temper, and she is making friends and finally feeling like she belongs. Since her adoption was finalized, Mary has opened up with her new mom and dad and her relationship with them has grown much closer. Now, she talks about the future and is making plans that include all three of them.
NJAMHAA member community mental health and substance use treatment provider organizations make enormous contributions to the well-being of not only New Jersey residents, but also the state. The nonprofit mental health and substance use treatment system, including member hospitals, employs approximately 98,000 people - taxpaying citizens who make enormous contributions to the overall economy of the state and the communities where they live and work.

Providers measure their success not only in lives saved, but also in savings of tax dollars and contributions to the state’s overall economy.

Community-based services pay for themselves. One person’s one-year stay at Ancora Psychiatric Hospital costs $256,000; by contrast, on average, one year of community-based mental healthcare services for one person is just $1,073. Similarly, incarceration costs $49,000 per person, per year, whereas community-based substance use treatment services require an annual investment of just $12,000 to $25,000 for an individual. These savings directly contribute to the state’s bottom line - and quickly add up to at least $1 billion each year. Even more could be saved - potentially several more billion dollars - by avoiding the need for emergency room visits and hospitalizations, preventing homelessness, and reducing overcrowding in jails and prisons.

According to the New Jersey Hospital Association’s “2013 N.J. Hospitals Economic Impact Report”, hospitals in New Jersey contributed more than $20 billion to the state’s economy through spending on employees’ benefits, contract labor, pharmaceuticals, utilities, laundry/housekeeping, dietary services and building supplies. In addition, hospitals in New Jersey also provide more than $1.25 billion in charity care services to the state’s working poor and other uninsured residents.

NJAMHAA members and their employees also fill the state’s coffers by consuming products and services and paying taxes. And, NJAMHAA members turn no one away. Their contributions in terms of charity care are enormous, and play a major role in providing the working poor and uninsured residents with a better quality of life. In many cases, they save lives.

Although these community-based organizations are designated as “charities”, they are businesses and must be rec-
recognized and treated as businesses. There is no magic, no alchemy that will enable these providers to deliver higher quality services to more people without corresponding resources.

One of NJAMHAA’s priorities is to preserve funding for non-profit mental healthcare and substance use services for children and adults. NJAMHAA is concerned about contract dollars and other funding streams disappearing and Medicaid rates not being sufficient in the context of the Administrative Services Organization. Because traditional Medicaid rates do not cover the cost of services, they impose a tremendous challenge for providers, and set detrimental limitations for individuals in need of mental health and substance use treatment services. All costs related to delivering services and keeping provider organizations viable must be incorporated into the fee for service reimbursement rates.

These costs include, but are not limited to:

- Utilities
- Building maintenance and repairs
- Compliance-related activities
- Health insurance for staff
- Overhead costs

Of course, these are in addition to the actual costs of providing care to children and adults.

Additionally, many community-based organizations’ funding currently includes county dollars, grants from private foundations and other funds gained through fundraising, as well as that of state contract dollars. Fee for service rates must also cover the funding that likely will be lost from these other sources.

“Providers measure their success not only in lives saved, but also in contributions to the state’s economy.”
As a result of being chronically underfunded for years, these organizations are losing professionals, further reducing capacity and creating a workforce crisis. This situation will be exacerbated and become more extreme as the Governor’s Drug Court program is implemented and more individuals become insured through Medicaid or other insurance that covers treatment for mental illnesses and substance use disorders. Expansion of mandatory Drug Court treatment, with its broadened eligibility standards, is expected to increase statewide Drug Court admissions by 3,000 individuals annually; about 40 percent of newly eligible Medicaid recipients – approximately 42,000 – have mental health and/or substance use disorders. The numbers are likely to continue to increase, creating an even more urgent need to expand capacity both in terms of “bricks and mortar” construction and renovation, and in professionals qualified to treat these populations.

But, attracting professionals to private, nonprofit organizations is difficult, at best. And already there are an insufficient number of trained and licensed mental health and substance use treatment professionals to meet the current need.

Years of underfunding have created an ever-widening compensation gap between community nonprofit provider staff and state employees in comparable positions. In almost every job category, entry-level state salaries are generally 30 to 35 percent higher, and the disparity is often even greater.

For example, social workers with Master’s degrees currently have a starting salary of $48,416 in a state psychiatric institution, while social workers with the same degrees in community-based organizations have starting salaries ranging from $34,000 to $38,000. Worsening this disparity is the fact that community based organizations are un-
able to provide regular cost-of-living adjustments (COLAs) or salary steps as the state institutions do. This means that community-based staff remain at these much lower salary levels while their state counterparts benefit from regularly funded increases.

The disparity of salary and benefits leads to high vacancy and turnover rates in the community-based organizations. Annual contract increases have not kept pace with inflation, which hampers organizations’ ability to offer fair compensation and benefits. There has not been an outright COLA since January 2008, although a one-time, one percent adjustment has been granted beginning January 1, 2014. One of NJAMHAA’s advocacy priorities is to have a three percent COLA instituted for providers in the Fiscal Year 2015 New Jersey State Budget.

The lack of a COLA for several years has led to increases in the already high staff turnover rates. NJAMHAA member organizations have reported turnover rates ranging from 20 to 30 percent in the past year. In some organizations, the turnover rate can be upwards of 50 percent, with some positions becoming vacant two or more times within a year!

The labor crisis impedes providers’ ability to serve children and adults in a timely and effective way, often leading to long waits for service. People in crisis find themselves in emergency rooms or on non-psychiatric floors of hospitals – unable to get the care they need. Everyone loses.

Often, waiting for care exacerbates mental health, substance use and other health conditions that then require more expensive, exhaustive treatment. Lack of treatment often leads to expensive involvement in state systems and could have fatal consequences. Millions of dollars are used to house individuals in jail rather than providing treatment. More valuable lives lost.

The public cost is high, but the human toll is higher – individuals could be leading productive lives in the community if the appropriate services were available any time they are needed. Many end up spending years in institutions – including prisons – or living on the streets, where they often become addicted to drugs or end up dead through neglect or suicide. Still more valuable lives ended.

The services provided by community-based organizations and their impact on individuals’ lives are invaluable. Sufficient investment in these services is essential to provide everyone with a mental illness and/or substance use disorder with the opportunities they need and deserve to lead a healthy and successful life.

“THE SERVICES PROVIDED BY COMMUNITY-BASED ORGANIZATIONS AND THEIR IMPACT ON INDIVIDUALS’ LIVES ARE INVALUABLE.”
DATA SOURCES

Number of adults seeking addiction treatment and unable to access services, 2012 (unmet demand). As reported by New Jersey Department of Human Services, Division of Mental Health and Addiction Services, 2014-2015 Block Grant application, pg. 117.

New Jersey Population 2012. As reported by U.S. Census Bureau.

Number of homeless, 2012. As reported by Corporation for Supportive Housing in New Jersey Point in Time Count of the Homeless, May 2013.

Number of low income households in substandard units, 2009. As reported by New Jersey Department of Community Affairs, State of New Jersey Consolidated Plan Update, June 13, 2013, pg. 86.

Total demand for substance use treatment, 2012. As reported by New Jersey Department of Human Services, Division of Mental Health and Addiction Services, 2014-2015 Block Grant application, pg. 117.

Number of facilities by type, 2011. As reported by the Substance Abuse and Mental Health Services Administration (SAMHSA), U.S. Department of Health and Human Services (HHS), National Survey of Substance Abuse Treatment Services (N-SSATS): 2011, pg. 100.

Percent reduction of symptoms of mental illness with treatment. As reported by the National Alliance on Mental Illness (NAMI) on its Mental Illnesses website page under “What is Mental Illness: Mental Illness Facts”.

Percent reduction of criminal activity following treatment. As reported by the Substance Abuse and Mental Health Services Administration (SAMHSA), U.S. Department of Health and Human Services (HHS), National Treatment Improvement Evaluation Survey (NTIES) 1997.


Average annual cost for each Drug Court participant. As reported in the New Jersey Judiciary Annual Report 2009-2010, per The Record, Aug. 17, 2013.

Estimated Number of Newly Eligible Medicaid Enrollees. As reported by Rutgers Center for State Health Policy in 2011.

Number of Drug Court Participants. As quoted by Carol Venditto, Statewide Drug Court Manager, in The Record, Aug. 17, 2013.

Number of additional defendants eligible for Drug Court. As reported by the Administrative Office of the Courts and quoted in New Jersey Senate Bill 881.


Endnotes


“All that is valuable in human society depends upon the opportunity for development accorded the individual.”

- Albert Einstein