Written Testimony Submitted to the

New Jersey Senate Budget and Appropriations Committee

Oral Testimony Delivered By:

Debra L. Wentz, President and CEO
New Jersey Association of Mental Health and Addiction Agencies, Inc.
3635 Quakerbridge Road, Mercerville, NJ 08619
609 838-5488 Fax: 609 838-5489
dwentz@njamhaa.org

April 3, 2018
April 3, 2018

Dear Chairman Sarlo and Senate Budget Committee Members:

Thank you for this opportunity to provide testimony on behalf of the 160 members of the New Jersey Association of Mental Health and Addiction Agencies, Inc. (NJAMHAA) who provide treatment and support services to more than 500,000 of New Jersey’s children and adults with mental health and substance use disorders annually.

Unfortunately, in this time of increasing demand for services, the capacity of community-based outpatient programs is shrinking as a direct result of the transition to a fee-for-service (FFS) reimbursement system that is no longer covering the cost of care for many outpatient services. It is critically important for the Legislature to appropriate safety net funding that will keep providers fiscally viable so they may continue to provide access to needed services. Many programs are operating with deficits of varying sizes under the FFS reimbursement model implemented July 1, 2017. NJAMHAA conducted an informal survey in December 2017. Of 17 responding organizations, 16 were facing deficits that totaled more than eight million dollars. Several programs have cut staff, including psychiatric time, and all have otherwise adjusted their business models, yet they are still facing deficits.

Several programs have ceased providing services. This is particularly true for the new Community Support Services (CSS) programs, the treatment component of what used to be Supportive Housing programs. There are currently 42 CSS programs; down from 54 supportive housing programs that existed prior to July 1, 2017, which is when this new model was first launched under a deficit contract reimbursement. The Division of Mental Health and Addiction Services (DMHAS) recognized the challenges of the CSS model, both fiscal and regulatory, when they moved the date for these programs to transition to FFS from January 1, 2018 to June 30, 2018, extending contracts through that date. NJAMHAA and the broader mental health community are requesting that contract funding be extended another year while the program model is made viable.

Last year, the Legislature passed, and Governor Christie signed into law, a bill that provided for the monitoring and evaluation of the transition to
FFS. None of the provisions of that law have been implemented and we call on the Legislature to require that this long overdue process get under way.

Beyond keeping current programs whole, NJAMHAA urges the Legislature to invest in effective, innovative services that best serve those in need while also improving the state’s bottom line. NJAMHAA understands that revenues are finite; however, we also understand that community-based services are cost-effective. They are significantly less expensive than emergency room and institutional care, and they prevent the need for such care. These include Early Intervention Support Services (EISS), Screening Centers, Medication Assisted Treatment, and integrated care models.

EISS programs, many of which work closely with emergency Screening Centers, exist in only 11 of New Jersey’s 21 counties, leaving individuals in other areas of the state unable to access these critical mental health crisis services. EISS has been proven to be a very successful and cost-efficient solution to long waits for outpatient services, and high rates of emergency room visits and hospitalizations. This program needs to be expanded to all counties throughout the state. A bill to do this expansion was passed by the Assembly in the last session, but time ran out for a floor vote in the Senate. We recommend this expansion be incorporated into the budget to expedite providing this essential service statewide.

Screening Center services also need to be expanded. Funding must be made available to existing Screening Centers to allow each program to expand according to the specific needs of the geographic area they serve to achieve the greatest benefits from this unique resource. A bill for this expansion also passed in the Assembly last session, as well as in the Senate, but time ran out for a second vote in the Assembly on necessary amendments following DMHAS’ transfer to the Department of Health. NJAMHAA recommends that funding for critical Screening Center services expansion be included in the FY2019 budget.

The Medication Assisted Treatment Initiative (MATI) must also be expanded, as just one element of addressing the opioid epidemic. This evidence-based model for treating substance use disorders should be available to all New Jersey residents. Currently, 40 substance use treatment providers participate in MATI with 54 programs throughout the state. This is far from the number of providers needed.

We also request that you restore funding to the One-stop Offender Reentry Services provided by the New Jersey Reentry Corporation. This program currently serves nearly 4,000 former inmates with job training, substance use treatment, housing and other assistance to help them obtain driver's licenses and birth certificates so they can become employed. This program reduces a client’s risk of relapse and assists them in rebuilding their lives. An investment in re-entry services is also good for the state’s bottom line.
Also in need of restoration is funding for the Recovery Coach program. This program, which connects recovery specialists with individuals in emergency rooms following an overdose, had initial funding in the FY2018 budget which was then greatly expanded in the fall. The expansion brought this critical program to all 21 counties and also allowed it to serve all individuals following an overdose, not just those who received a Narcan overdose reversal.

Finally, to move forward on providing integrated care to Medicaid high utilizers across the state to achieve both better outcomes and state savings, capital funding must be made available to community-based behavioral health providers that are currently serving this same population. Without such funding, behavioral health organizations are unable to overcome the regulatory barriers to integrated care, specifically, retrofitting their physical space.

New Jersey’s support is needed for community-based providers to be adequately and fairly reimbursed so their capacity to serve New Jerseyans with mental health and substance use disorders is expanded, not further eroded. This requires, first and foremost, adequate rates in a FFS system and extension of CSS contract funding through FY2019. These are critical to maintaining the current level of services, until the adequacy of rates and access to care is studied. Once adequate rates are determined, an inflationary factor/formula must be developed to ensure system capacity can be maintained.

At the same time, New Jersey must make wise investments – in EISS and Screening Centers, in MATI and integrated care models – that best serve both New Jerseyans and the state’s bottom line.

All of this will serve to strengthen the foundation of the community-based system of care. By reimbursing providers for the full cost of care at a level that allows them to maintain a stable workforce, your family members, your neighbors, your colleagues – all children and adults across New Jersey – will be able to access quality behavioral health services in a timely manner.

Sincerely,

Debra L. Wentz, Ph.D.
President and CEO