



**New Jersey Association of
Mental Health and Addiction Agencies, Inc.**

December 14, 2020

The Honorable Carole Johnson
Commissioner
Department of Human Services
P.O. Box 700
Trenton, NJ 08625-0700

Dear Commissioner Johnson,

Thank you for the opportunity to share the New Jersey Association of Mental Health and Addiction Agencies' (NJAMHAA's) recommendations for the FY 2022 State Budget. We would greatly appreciate your consideration of the following priority funding areas as you develop your budget and advocate for this funding with the Department of the Treasury and Office of Management and Budget.

In March of 2020, community-based behavioral health providers moved quickly to ensure the safety of their staff and clients. Having shifted overnight to remote working, securing their own personal protective equipment, enlisting cleaning services, installing plexiglass, putting spare building spaces into use, increasing shifts and transportation runs to support social distancing, and more, they continue to do all within their power to keep everyone safe. They have stepped up during the COVID-19 pandemic to ensure continuity of care for those they serve, innovating overnight to meet daily changes in state and federal guidance for each program they operate and going above and beyond to address the social determinants of health needs for those they serve – with technology equipment, food, medicines, nursing services and the like. Despite already operating with program deficits, non-competitive wages leading to high turnover, service components that are not even billable and no capital support, they have drawn on every available resource and creative approach to serve New Jersey's most vulnerable populations.

Now, more than ever, New Jersey's community based behavioral health system of care remains in a fragile state due to increased demand, workforce shortages and system changes. Strong, sustainable community-based services are necessary for the state's fiscal viability and the health and well-being of New Jersey residents. It is time to further develop and strengthen the State's many long-standing effective programs, its more recent integrated models of care, its workforce and its infrastructure to build a better future for a stronger, fairer and healthier New Jersey!

Community-based behavioral health organizations are mission driven and strive to treat and lift up the most vulnerable among us. Individuals who enter the behavioral health field invest years and many thousands of dollars in their education to work in highly stressful, demanding positions that generally offer less competitive wages, often starting at less than they can currently earn in retail establishments. Turnover, always high, has increased amidst the COVID-19

pandemic and recruitment has become more challenging than ever. Providers, facing a workforce crisis for many years, are unable to fill positions which increases workloads of others until program capacity must be reduced, making access to care even more difficult when need is growing exponentially.

For eight years prior to the transition to fee-for-service (FFS) reimbursement, New Jersey's mental health and substance use treatment programs received no cost of living adjustments. The initial FFS rates, based on salaries and other cost data that was already years old, resulted in deficits across programs that totaled over \$25 million in the aggregate. Several programs closed immediately, others have followed or have reduced their capacity. Additionally, as New Jersey started to implement new minimum wage requirements that continue to rise, no funding has been provided to these programs to support those increases.

While providers await the results of the independent study of FFS rates that will get underway in 2021, funding must be provided to fill the deficit gaps caused by the current rates, to cover the costs of the minimum wage increases and to enable providers to offer competitive wages if program capacity is to be maintained.

To ensure the success of service provision under the FFS reimbursement model and strengthen the workforce – the foundation of community-based care, NJAMHAA respectfully requests that the Department of Human Services:

- Close the deficit gap caused by the transition to fee-for-service reimbursement with a \$25 million investment (until such time that rates are adjusted to cover the actual costs of care).
- Appropriate funds to cover the increased costs under mandated minimum wage requirements as they are implemented, including other salary increases needed to prevent the compression of wage scales.
- Work in partnership with the Department of Health to ensure the \$6 million appropriation for substance use treatment providers to upgrade, implement and maintain interoperable EHRs is renewed and a new appropriation of \$10 million is available for mental health providers to do the same.
- Appropriate \$3 million to expand Early Intervention Support Services (EISS) to three more counties.
- Appropriate \$1.5 million to support the Screening Center early intervention grant program established in 2020.
- Appropriate \$10 million as an initial investment into facility resources for behavioral health providers to further develop integrated care.
- Establish a formula for automatic upward rate and contract adjustments that is indexed to actual costs.

- Establish a sustainability and expansion plan for New Jersey's Certified Community Behavioral Health Clinics (CCBHCs).

Thank you for considering our recommendations and for your continued advocacy and other efforts to ensure access to high-quality mental healthcare and substance use treatment services for all New Jersey residents.

If you need additional information, please do not hesitate to contact me at 609-838-5488, ext. 292, or dwentz@njamhaa.org.

Sincerely,

A handwritten signature in cursive script that reads "Debra L. Wentz".

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

cc: Susan Loughery, MBA, NJAMHAA Board Chair
Jacques Hryshko, MS, LPC, NJAMHAA Board Vice Chair