

## Licensure Exemption

Licensed social workers and therapists are in short supply in the nonprofit behavioral health provider sector. Inadequate benefits and low salaries, amplified by sizeable pay scale inequities between the nonprofit and for-profit and government sectors of care, directly contribute to the inability of nonprofits to attract and retain licensed professionals. This is a key reason for the exemptions, which are fairly common across the nation, and one of the main reasons NJAMHAA supports the continuation of licensure exemptions for community nonprofit organizations in state laws of professional boards overseeing the practice of social workers and therapists. These boards include the New Jersey Board of Social Work Examiners (at NJSA 45:15BB-5); the Board of Psychological Examiners (at NJSA 45:14B-6); and the Board of Marriage and Family Therapy Examiners (at NJSA 45:8B-6).

The nonprofit exemption is vital to the sustainability of nonprofit behavioral health providers. There are major considerations, unique to the nonprofit sector, that demand the continuation of the exemptions, not the least of which include:

- Nonprofit mental health providers continue to struggle to meet the escalating costs of providing services with reimbursements that do not approach the actual costs. Meeting oftentimes onerous and costly licensing regulations, particularly of the state and the New Jersey Board of Social Work Examiners (BSWE), would unduly burden nonprofits and threaten their viability.
- Nonprofits treat hundreds of thousands of children, adults and families, annually. The costs would be prohibitive to retain a cadre of only licensed professionals to provide these basic support services for this vast number of consumers who are often significantly medically and psychiatrically compromised. Further, a vast majority of these consumers are Medicaid beneficiaries, which many private, licensed professionals do not treat due to abysmally low Medicaid reimbursement rates - so it is the nonprofits that provide the essential safety net.
- Nonprofit behavioral health providers in New Jersey are predominantly funded by state contract dollars and, as such, are governed by state mental health regulations to perform the same services delineated by professional licensing boards. State oversight exists in the form of extensive state regulations, incident reporting systems, and on-site monitoring visits by the Division of Mental Health and Addiction Services (DMHAS), the Division of Medical Assistance and Health Services (DMAHS), the Department of Children and Families (DCF), among others, all with a focus on consumer protection and quality care.
- Waits for service in the nonprofit sector of care exceed, on average, four to six weeks. These lengthy delays often result in otherwise preventable admissions to hospitals and visits to emergency rooms – and other high cost and disruptive alternatives.
- Staff vacancy rates are significant in programs that serve adults and children at high risk of re/hospitalization and out-of-home placement. Rates often span between 15 percent and 17 percent. In fact, it is not unusual for staff vacancy

rates to reach 25 percent, particularly in programs that serve youth and adults with serious emotional disturbances and behavioral health illnesses.

The capability of the community behavioral health system to continue to provide a safety net for adults, children, and families experiencing behavioral health crises and/or requiring critical behavioral health interventions and support services, hinges upon the nonprofit sector's ability to utilize non-licensed staff as an adjunct to licensed staff. Attempts to eliminate the nonprofit exemption would have detrimental and irreversible consequences on nonprofits' ability to provide accessible, efficient, and responsive care, particularly to poor and low-income individuals in need who are largely unserved by private providers. Whenever community provider service capacity is compromised by interests of a particular profession, preserving service capacity should always win the day.

#### *NJAMHAA Supports*

- ✓ Preservation of the current exemption for nonprofits from the licensing laws of state licensing boards governing behavioral health professionals.
- ✓ Assuring that the membership of state licensing boards includes professionals who represent and work in the nonprofit behavioral health community.
- ✓ Encouraging increased attendance and participation by nonprofit community professionals at public meetings of relevant licensing boards to continuously familiarize board members with the unique and complex set of needs of persons served by the nonprofit community behavioral health sector and the ever-evolving clinical practices required in the field to meet those needs.