



NEW JERSEY
DEPARTMENT OF HUMAN SERVICES



*Testimony of Human Services Commissioner Sarah Adelman
Assembly Budget Committee
April 27, 2022*

Good morning Chairwoman Pintor Marin, Vice Chairman Wimberly and Honorable Members of the Committee.

I am Sarah Adelman, the Commissioner of the Department of Human Services, and I am joined by Deputy Commissioner Elisa Neira and our Chief Financial Officer Brian Francz.

Thank you for the opportunity to discuss Governor Murphy's proposed Fiscal Year 2023 budget for the Department of Human Services.

Our Department's programs serve older residents, individuals and families with low and moderate incomes in need of assistance; people with developmental disabilities, late-onset physical disabilities, and brain injuries; people who are blind, visually impaired, deaf, hard of hearing, or deaf-blind; parents needing child care assistance, child support, or health care for their families; people who are dealing with addiction and mental health conditions; and our newest neighbors – the refugees, asylees, and immigrants who enrich our communities.

We are, exactly as our name suggests: Human Services. We strive to support New Jerseyans living to their fullest opportunity at every stage of life, and to serve people the best way possible with commitment, clarity, and empathy.

The Governor's proposed budget for Fiscal Year 2023 continues to prioritize initiatives to support this mission. It builds on the administration's work to make New Jersey a more affordable and more equitable place to live and work and includes investments, both new and ongoing, in services, supports and expanded opportunities for those we serve.

This budget plan includes more than \$210 million in new state and federal funding to raise wages for child care workers, direct support professionals, home health aides and personal care assistants, private duty nurses, mental health and addiction professionals, certified nurse aides and other nursing home employees. Combined, this workforce represents more than 250,000 of New Jersey's hardest working individuals. We are so grateful for these workers. They are the backbone of our state's care economy and for five consecutive budgets we have funded wage increases that help workers get ahead and ensure our provider agencies can attract and retain a high quality workforce with competitive pay.

In fact, in partnership with the Legislature, we have increased DSP wages four times since FY19, and beginning in FY23 hourly wages for DSPs will have increased by \$4.75. These investments are moving the needle. In the latest national survey of DSP wages, NJ is among the top five states for DSP pay and among the top three states with the lowest turnover rates. In the next survey, we will do even better, and NJ will continue to lead the way in caring for individuals with intellectual and developmental disabilities.

The Governor's proposed budget also includes \$27 million – that's \$39 million with matching federal funds - for an across the board rate increase for all community-based mental health and substance use disorder providers that work with our Division of Mental Health and Addiction Services. This will be the first across the board increase in many years, and will boost the ability of providers to recruit and retain qualified staff.

We will increase the home health aide/personal care assistant agency rate to \$24 per hour to help ensure our most vulnerable residents, including seniors and children with significant illnesses, continue to have access to quality, community-based care.

The budget plan includes wage increases for community based private duty nurses and for home health providers in the Jersey Assistance for Community Caregiving and Personal Assistance Services Programs. These programs help seniors and adults with physical disabilities to thrive in the community and avoid nursing home care.

And for individuals residing in nursing facilities, the budget includes an additional \$30 million in state and federal funds for wage increases for certified nurse aides and other nursing home workers they rely on for care. We also remain focused on ensuring that Medicaid beneficiaries residing in long-term care facilities receive high quality care, that Medicaid funds are used for the care of residents, and that new Medicaid funding for nursing facilities be tied to quality metrics and outcomes.

The budget also adds \$6.85 million for Pharmaceutical Assistance to the Aged & Disabled – or PAAD – to support older adults needing help with the cost of prescription drugs. In January of this year, we increased the income limit for PAAD, benefiting thousands of New Jersey seniors. Newly eligible seniors will save an average of \$1,000 per year.

Additionally, with the First Lady's leadership and in partnerships across government, our Department continues its commitment to make New Jersey the safest state in the nation to give birth. Together, our shared goal is to make transformational change in a system that has failed too many mothers and babies – particularly those of color.

About one in three births in New Jersey are covered by FamilyCare, and in recent budgets we've taken steps to expand postpartum Medicaid coverage for a full year, end reimbursement for early elective caesarean-sections, increase reimbursement for midwives, begin covering doula services, and design a first of its kind episode of care model for maternity payments.

The next step in this work is to address overall reimbursement rates for maternity care.

Our budget plan proposes using \$30 million in state and federal funds to raise fee for service Medicaid rates for maternity care providers for the first time in decades. These rate increases will support prenatal, labor and delivery, and postpartum care. This in turn will increase reimbursements for midwives and increase labor and delivery rates for doulas.

The state last year released a strategic plan to end the HIV epidemic by 2025. As part of this effort, the budget includes \$3 million for Medicaid to increase access to treatment medication so persons living with HIV/AIDS can achieve and maintain viral suppression.

The Governor's budget also continues to make caring for children and adolescents a priority.

In the current fiscal year, we initiated the Cover All Kids program to reach uninsured children across NJ and enroll them without barriers and at no cost into NJ FamilyCare. Since June of last year, we have reduced the number of eligible but not enrolled children by half. So today, NJ FamilyCare provides health care coverage to 26,000 more children and youth than we did last year – that's 26,000 more kids receiving preventive treatment which will pay dividends over their lifetime.

The budget plan includes \$11 million to continue our work in FY23 to ensure no child in New Jersey is left without the support and security of health care coverage. This investment will fund coverage expansion for thousands of children who have been ineligible for FamilyCare because of their immigration status, but would otherwise be income eligible for the program. Through this investment and the work of our Medicaid team, next fiscal year we will begin allowing these children to enroll in the same FamilyCare coverage every other child has. Investing in preventive healthcare makes children healthier and our communities stronger.

Turning to child care, a centerpiece of our economy and our economic recovery, the Governor's proposed budget continues to make significant investments for families and providers. The budget plan includes the continued implementation of more than \$700 million in federal investments to help parents pay for child care, provide higher pay to child care workers, and increase support for child care providers over the next two years.

With this funding, the Department has invested \$200 million to help parents reduce their child care expenses and put dollars back in the pockets of working families. A single parent with one child in care is saving more than \$700 a year. And we've issued more than \$30 million for bonus pay to more than 30,000 child care workers, and we've approved \$180 million in new stabilization funds for nearly 3,000 child care centers and providers.

These investments are benefiting New Jersey families who depend on quality, reliable childcare and thousands of child care workers across the state.

And to support youth mental health, the budget plan provides \$4.6 million in state and federal funds to increase Medicaid reimbursement for children's outpatient mental health services, specifically to create rate parity between pediatric and adult outpatient services, including psychiatric evaluation, outpatient therapy, and partial care. Youth mental health is a significant

priority nationally as we transition out of the pandemic, and these rate increases will help expand access to a more robust provider network for Medicaid enrolled youth in need of mental health services.

The Federal Communications Commission recently approved a new 3-digit dialing code - 988 - for mental health crisis and suicide prevention. The new number will launch on July 16, and states are required to build a comprehensive crisis response system able to respond to calls, chats, and texts 24 hours/day, 7 days per week. 988 will be more than just an easy-to-remember number. It will be a direct connection to accessible and compassionate support and resources, and will be open to anyone experiencing emotional distress or those worried about a loved one. The budget plan includes nearly \$13 million to begin building and implementing this vital new service.

Also, our work to combat the opioid epidemic will be supplemented by more than \$640 million over the next 18 years through the settlement with opioid manufacturers and wholesalers. By holding these pharmaceutical distributors accountable for their deplorable actions in fueling the marketing and sale of opioids, we are preventing them from creating another drug crisis in the future. These funds will aid critical opioid use disorder resources and programs, saving lives, strengthening our overdose prevention strategies, and connecting New Jerseyans to supports and treatment when they need it most. I thank the Governor and Attorney General for their leadership securing these funds for New Jersey.

Additionally, the Department was pleased to recently announce the expansion of early intervention mental health support services to all 21 counties. This expansion was made possible through partnership with the legislature in the current fiscal year and is supported in the proposed budget. This expansion provides timely access to mental health care for individuals in their own community.

The proposed budget also invests \$12 million to fund a much-needed \$20 per day increase in homeless shelter rates for residents experiencing homelessness. Similarly, we are adding \$2.4 million to increase hotel/motel rates to at least \$60 per day to assist those receiving temporary emergency housing. This is the first increase to these rates since 2003. And the budget plan includes funding to keep pace with costs for vital services such as General Assistance, Supplemental Security Income and the state's utility assistance benefit to SNAP households not eligible for LIHEAP.

This budget also includes resources to increase capacity in our Office of New Americans, which has done extraordinary work to welcome and support refugees, including hundreds of Afghan evacuees over the last year. The ONA will also maintain its funding for legal services for vulnerable immigrants and Unaccompanied Minors and Youth.

We're grateful the Governor's proposed budget advances new initiatives, maintains and expands critical wage enhancements, and protects the vital services families depend upon.

The past two years have been exceptionally challenging for our Department -- and all New Jerseyans. But I am incredibly proud of all that we have already accomplished, the work that we're doing and the new opportunities to come.

I want to take a moment to acknowledge and thank our division leaders and all 7,400 employees who make up NJ Human Services.

It's through their tireless work that over the past two years we have delivered more than \$1 billion in child care assistance; more than \$2 billion in extra food assistance to children, seniors and families; kept more than 2 million New Jerseyans enrolled in NJ FamilyCare; made New Jersey more affordable for seniors, enhanced caregiver wages, transformed our programs, and expanded our reach. I'm so proud of our Department's accomplishments, and I'm looking forward to working with all of you on what's to come.

Thank you and I welcome your questions.