

Health Commissioner Mary E. O'Dowd
Assembly Budget Committee
April 14, 2014

Good afternoon Chairman Schaer, Vice Chairman Burzichelli, Assemblyman O'Scanlon and members of the Assembly Budget Committee.

Thank you for the opportunity to appear before you today to discuss the Department of Health's budget for State Fiscal Year 2015.

If I may, I would like my team to introduce themselves.

Eric Anderson, Director of the Division of Management and Administration;
Bill Conroy, Deputy Commissioner for Health Systems;
Dr. Arturo Brito, Deputy Commissioner for Public Health Services; and
Colette Lamothe-Galette, representing the Department's Office of Policy and Strategic Planning.

The Department of Health's budget, which is \$1.8 billion, reflects Governor Christie's priorities to strengthen the health care safety net, build healthier communities, and work smarter.

This budget strengthens New Jersey's leadership on public health issues. In fact, New Jersey was the first state to ban the use of e-cigarettes in public places in 2010 as part of the Smoke Free Air Act. Electronic smoking devices have not been approved by the FDA, and this Legislature stated that the use of e-cigarettes "may pose a health risk to persons exposed to their smoke or vapor because of a known irritant...and other substances that may...be identified as potentially toxic to those inhaling the smoke or vapor." These statements are still true today.

I urge you to continue your leadership in this area and support this budget's proposal to create tax parity for e-cigarettes. The CDC has reported that e-cigarette use among middle and high school students has doubled between 2011 and 2012 and highlights increased cost as an effective strategy to curb use among our youth. This initiative is about protecting our children from a life-long addiction to nicotine.

Healthcare Safety Net

In the area of health care, the budget continues to invest more than \$1 billion in New Jersey's hospitals and Federally Qualified Health Centers (FQHCs), specifically including \$650 million in Charity Care, \$100 million in Graduate Medical Education funds and \$166.6 million for the Delivery System Reform Incentive Payment program. DSRIP is the first state subsidy program to reward hospitals for improving quality of care.

Equity, transparency, predictability and accountability continue to be the cornerstones of hospital funding. We continue to support FQHCs at the same rate for their care to the uninsured.

New Jersey's health care facilities provide access to quality health care. We are working with hospitals, community health centers and providers to create opportunities for healthy communities. We do this in a number of ways including partnering with stakeholders and providing information to consumers and providers on hospital performance, and prevention quality indicators.

Now, I'd like to highlight some of the Department's other efforts in improving health in our communities.

Autism/Early Intervention Services

April is Autism Awareness Month and last week researchers from around the state gathered at New Jersey's Autism Center of Excellence at Montclair State University to discuss how their clinical research can be translated into new and effective ways of preventing, diagnosing and treating autism spectrum disorders. Since 2008, the Governor's Council for Medical Research and Treatment of Autism has provided nearly \$25 million in research grants.

According to the CDC, autism is estimated to affect 1 in 45 children in New Jersey and 1 in 68 nationally. Fortunately, New Jersey has one of the best systems in the nation for identifying, diagnosing and documenting children with autism spectrum disorders.

Governor Christie's budget invests \$135 million for the Department's Early Intervention System, which provides early identification, referral and service coordination for children from birth to age three with developmental delays and disabilities. We are one of only four states with an Autism Registry that requires reporting by neurologists, pediatricians, nurses, and other providers so children can be referred for services.

Partnering for a Healthy NJ Chronic Disease Plan

We have worked with our stakeholders to build healthier communities and shift our focus from illness to wellness. The result of this collaboration is a Chronic Disease and Health Promotion Plan called *Partnering for a Healthy NJ*. Its goals are to create a framework for a statewide approach, highlight evidence-based strategies and promote prevention and wellness.

Improving Maternal and Child Health

Improving maternal and child health is another critical component of building healthier communities. The Department is working with the March of Dimes and the National Governor's Association on several initiatives to reduce premature births and improve birth outcomes. While the Department of Health is taking the lead, this is a coordinated effort among the departments of Education, Children and Families, and Human Services. Our progress was recognized when New Jersey was recently awarded a B grade on the March of Dimes Premature Birth Report Card, up from a D in 2008, and our preterm birth initiatives were cited as contributing factors in our improved score.

Collaborations to Prevent Disease

Finally, the Department has collaborated with communities on successful disease prevention and public education efforts. Recently we worked with Princeton University and other partners to

implement infection control activities in a campaign to reduce the risk of meningitis, resulting in more than 90 percent of students receiving a vaccination against the Serogroup B strain of the bacteria.

As another example, the Department worked closely with the Monmouth County Health Department to manage more than 50 cases of mumps in an outbreak last summer that affected the region as well as the entire state. We worked with numerous local health agencies to monitor for possible new illness and provide vaccinations to those who may have been exposed and were not up-to-date on their vaccinations.

Working Smarter

As we improve the health of all residents, we remain focused on working smarter within our own agency. We have focused on creating a culture of continuous quality improvement, developing leadership and management and improving relationships with the community. And the Department is pursuing public health accreditation as part of a national movement to standardize public health services across local and state health agencies. To date, only two states have achieved accreditation and we expect New Jersey's application to build upon our leadership on public health issues.

Health Information Technology

We've also made significant progress in advancing the use of Health Information Technology. Under the leadership of the Department, three regional planning teams are merging data from public health and hospital systems to improve patient outcomes. These teams are sharing data to identify frequent Emergency Department users and improving their access to primary care to better manage illness and avoid hospitalization.

This work will be expanded through our Health Information Network, a statewide information exchange that allows providers, hospitals, and other health care stakeholders to share patient information securely and in real-time.

By sharing data, providers can view critical information, track patients' medications and test results, avoid unnecessary procedures and improve outcomes. For example, the network allows providers to access immunization status and exchange that information statewide. The network connects 62 hospitals, more than 9,000 physicians, long-term care providers, laboratories and radiology centers throughout the state.

The Department used \$11.6 million in federal funds to develop regional health information organizations and connect them through the network.

Closing

In closing, I want to thank you for this opportunity to update you on the Department of Health's budget and our ongoing activities to improve and protect the health of New Jersey's residents.

I look forward to working with you and I would be happy to answer your questions.