

**New Jersey Health Commissioner Dr. Shereef Elnahal**  
**Senate Budget and Appropriations Committee**  
**April 11, 2019**

Good Morning

Chairman Sarlo, Vice Chairwoman Cunningham and distinguished members of the Senate Budget and Appropriations Committee.

I'd like to introduce the Department leadership team here with me today: Jackie Cornell, Principal Deputy Commissioner for Public Health Services; Marcela Maziarz, Deputy Commissioner for Health Systems; Deborah Hartel, Deputy Commissioner for Integrated Health; Chief State Medical Examiner Dr. Andrew Falzon; Budget Director Eric Anderson and Chief of Staff Andrea Martinez-Mejia.

Thank you for this opportunity to discuss the Department's proposed budget of \$2.1 billion for Fiscal Year 2020. The proposed budget reflects priorities of the Governor and the Department including reducing racial disparities in infant and maternal mortality; eradicating the opioid epidemic; expanding access to medical marijuana; providing support to our hospitals for the care they provide to the uninsured and continuing reforms in our state psychiatric hospitals.

This budget also reflects our efforts to deliver more with a level set of resources. For example, we have significantly expanded the medical marijuana program with the same amount of staff. We've added new conditions, selected six additional businesses to move forward in the permitting process and, by the end of this fiscal year, we will have tripled the number of patients participating in the program.

In addition, we are digitizing the health care licensing process to improve its effectiveness and we are working on a system to increase fees on distributors of opioids.

This is the first year we are testifying with the Office of the Chief State Medical Examiner, which joined the Department last September. Since then, we have made some critical improvements and are laying the foundation for long-term sustainability and quality.

**Charity Care/GME**

The budget includes more than \$670 million in subsidies for hospitals including Charity Care, Graduate Medical Education or (GME), and the Delivery System Reform Incentive Payment Program (DSRIP).

We have kept Charity Care funding at the same level of \$262 million understanding that there are federal threats to the Affordable Care Act (ACA). The Governor is committed to maintaining the protections afforded in the ACA and has taken a number of steps to ensure health care coverage for New Jersey residents. Funding for GME will also remain at current levels of \$218 million and we have added a new GME Supplemental program funded at \$24 million. Another \$167 million is proposed for the DSRIP program.

To encourage improvements in health care access and quality, we will implement new requirements for hospitals that are eligible for charity care subsidies. One-twelfth of each hospital's Charity Care subsidy will be contingent on reporting key indicators such as the number of charity care patients connected to preventive and primary care upon discharge. This is payment for reporting, not performance.

Additionally, to strengthen the electronic exchange of information between all health care providers, hospitals that receive Charity Care will be required to connect with the New Jersey Health Information Network, or the NJHIN, a shared services platform that provides the infrastructure for electronic exchange of patient health information among healthcare providers.

Currently, six health information exchanges, 6,000 physicians, 91 long-term care providers, three Federally Qualified Health Centers and 65 hospitals have joined the NJHIN. Our goal is to have all hospitals connected to the NJHIN by the end of this year. Frontline medical providers will be equipped with data to improve quality of care and clinical decision making.

### **Public Health**

Another key component of the health system is our local public health infrastructure. A highlight of the past year for me was visiting each of the 21 counties to meet with county, regional and municipal health officials—including in many of the districts you represent. I learned a great deal about the innovative work our local partners do every day.

Several disease outbreaks impacted our communities last year and, as a result, we are working on comprehensive policy changes that will strengthen the response of our public health system. To do this, the budget includes \$2.5 million in competitive grant funding to strengthen our local health departments.

Gov. Murphy recognizes the role local health agencies play on the front lines in responding to public health issues like the two measles outbreaks in Ocean County. One is ongoing with 11 cases and we are monitoring this situation and assisting with the local response.

### **Infant and Maternal Mortality**

As we recognize Black Maternal Health Week, it's important to remember that New Jersey has one of the nation's highest maternal and infant health disparities. This is an Administration that recognizes that this disparity is rooted in institutional and structural racism.

Under the leadership of First Lady Tammy Murphy and the NurtureNJ public awareness campaign, we are collaborating with state, county and local nonprofit agencies on efforts like the Family Festival event series—to provide families with access to prenatal care and doulas, blood pressure and sugar screenings, parent support groups, eye exams, pediatric services, mental health and addiction services and food and housing assistance programs.

It is Minority Health Month and the Department hosted two Health Equity forums this month. First Lady Tammy Murphy and I spoke about the state's commitment to end these unacceptable disparities before several hundred stakeholders in Atlantic City just last week.

The Department has increased outreach, support and services to women of color to improve health and birth outcomes. With \$4.7 million in funding through our Healthy Women, Healthy Families initiative, our partners have hired 77 outreach workers—40 doulas, 29 Community Health Workers and 8 Community Health Worker supervisors—to improve the health of black women. More than 11,000 women have been screened since July of 2018 and 8,500 were connected to programs like Home Visiting and Healthy Start. Most of these women were pregnant and nearly 40 percent reside in communities with high rates of black infant mortality. So far, 72 women are participating in the doula pilots and, to date, 25 have delivered with the support of a doula.

We have been engaging with all of you on this priority knowing it's important to you.

Doula care is a crucial part of our approach to eliminating this disparity. We look forward to working in continued close collaboration with the Department of Human Services—which has \$1 million in its budget to provide doulas for women on Medicaid—and we are trying to train as many doulas as possible. The Department is eager to work with the Legislature on statutory changes needed for certifying these professionals.

With support from the Nicholson Foundation, we are also working on a strategic plan that will help ensure all mothers have an equal chance at a healthy birth and a healthy baby by setting specific benchmarks and timelines to achieve the 3 overarching goals:

- Reducing maternal mortality and morbidity;
- Lowering C-section rates; and
- Eliminating racial and ethnic disparities in pregnancy-related care

### **Family Planning**

One of the ways the Department is working to fulfill Governor Murphy's vision to make New Jersey stronger and fairer is by expanding and supporting family planning providers—especially in a political and federal climate that is hostile to so many safety net services. On several fronts - from attempts to rollback the Affordable Care Act to restrictions on Title X family planning services for low-income individuals and families—the Murphy Administration is fighting back against the Trump administration's efforts to dismantle access to this care.

Visits at family planning clinics are often the only occasions women seek health care in a given year. They provide critical preventative care to patients—which is the foundation of good health.

The first bill the Governor signed restored \$7.5 million for family planning funding. Thanks to that investment, providers have accomplished some incredible things: More than 10,000 additional residents have received services; evening and weekend hours have been extended; 80,000 additional STD tests have been performed for free; family planning and reproductive health services are now available at five new services sites; and 40 new staff have been hired. These efforts will continue because \$7.5 million in women's health funding is again included in the FY2020 budget.

Additionally, all family planning clinics will begin to offer counseling for Pre-exposure prophylaxis or PrEP, a daily medication that is highly effective at preventing the spread of HIV.

When taken as prescribed, PrEP reduces a person's chances of contracting HIV by more than 92%. Many clinics already offer this vital service, so we are excited to expand the program.

And it will also help to meet the Governor's goal to end the HIV epidemic in New Jersey by 2025 as part of the Undetectable = Untransmittable or (U=U) campaign.

### **Opioid Epidemic**

Among the most pressing public health challenges we face is the opioid epidemic, which continues to devastate families and communities in New Jersey. For the first time in history, more Americans are likely to die from drug overdoses than car crashes. Sadly, more than 3,000 New Jersey residents died of an overdose last year, the highest of any year. There have been more than 500 overdose deaths so far this year.

The Murphy Administration is committed to tackling this epidemic and is again investing \$100 million in an aggressive strategy grounded in a patient-centered and evidence-based approach focused on four pillars:

1. Increasing access to prevention and treatment programs;
2. Supporting those on the path to maintenance and recovery;
3. Building sound data systems and strengthening systemwide infrastructure for the addiction community; and
4. Applying robust law enforcement to stem the supply of illicit drugs

Working closely with our partners in other agencies, the Department of Health led initiatives are around data and infrastructure, specifically launching data tools such as our Opioid Data dashboard; promoting interoperability among Substance Use Disorder providers through the NJHIN; and working toward a single license for providers of physical, mental health and addiction services.

The Department is also working to expand access to treatment and prevention services including strengthening harm reduction centers, also known as syringe access programs; enhancing Medication Assisted Treatment by adding opioid use disorder as a condition for medical marijuana; increasing by 72% the number of standing orders to pharmacies to distribute Narcan; designing a program to reduce opioid prescribing in Emergency Departments and working with Human Services and Corrections to increase access to MAT in county jails.

### **Medical Marijuana**

The Department continues to make significant strides to meet growing patient demand in our medical marijuana program. In just over a year, the number of patients more than doubled to 44,300. I have given nearly a dozen lectures in hospitals, medical schools, and at a nursing conference to 4,000 doctors and other health professionals to discuss the program's benefits. Those lectures focused on evidence that supports marijuana as an appropriate treatment for patients with debilitating conditions such as MS, epilepsy, cancer, arthritis and HIV. These lectures have assisted us in nearly doubling the number of physicians in the program to 940.

Earlier this month, I visited the Hunterdon County home of a patient and advocate named Lindsay who has been battling ALS for seven years. She is a constant reminder that we are in

this for people like her. Medical marijuana has helped her sleep, cope with chronic pain and relieve her anxiety.

### **Psychiatric Hospitals**

Turning to our state psychiatric hospitals, we developed an 18-month action plan last summer to enhance clinical care and improve patient and staff safety while continuing to reduce the census and patient assaults. We've made progress in those efforts. Our hospitals continue to undergo a major turnaround to modernize clinical care and rectify long-standing patient safety and physical plant issues.

Our vision is to have the hospitals operate as one health system of regional psychiatric facilities using clinical and patient safety standards that are uniform across the hospitals. Just like acute care hospital systems or a children's hospital, our regional psychiatric hospitals should be specialized institutions where patients are treated, stabilized and then returned to the community—with the supports they need.

### **Guidance for Providers**

As part of our continuing effort to integrate primary care, substance use disorder and behavioral health care, the Department last month announced new regulatory guidance to allow as many providers as possible to integrate care—including MAT.

Patients often have problems in all three categories, and it is past due for the health care system to design itself to meet all of a patient's needs. By reducing bureaucratic hurdles for providers, patients can get more of the care they need in one setting.

The guidance was well-received by the behavioral health community.

### **Conclusion**

Thank you for this opportunity to discuss the Department's budget and for your support on health initiatives throughout the year. Now I would be happy to answer your questions.