Health Commissioner Dr. Shereef Elnahal
Assembly Budget Committee Testimony
April 25, 2018

Good Morning
Chairwoman Pintor Marin, Vice Chairman Burzichelli and Distinguished members of the Assembly Budget Committee.

I'd like to take a moment to introduce the Department leadership team that is 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; Budget Director Eric Anderson, Chief of Staff Andrea Martinez-Mejia, Population Health Director Colette Lamothe-Galette, Magda Schaler-Haynes, Director of Policy and Strategic Planning, and Valerie Mielke, Director of the Division of Mental Health and Addiction Services.

Thank you for this opportunity to discuss the Department's proposed budget of $2.9 billion for Fiscal Year 2019, which includes $1.2 billion for the Division of Mental Health and Addiction Services.

This budget reflects the priorities of both the Murphy Administration and the Department, which include eradicating the opioid epidemic, expanding access to medicinal marijuana, reducing disparities in public health outcomes including maternal and infant mortality, enhancing access to mental health care, and making health coverage more accessible and affordable.

We have an ambitious agenda. However, we inherited a Department that has many unmet needs—particularly in our psychiatric hospitals.

Medicinal Marijuana

As you know, we are reforming the Medicinal Marijuana program to expand access and make it more consumer friendly and responsive to patients, physicians and dispensaries.

We've added five new medical condition-based eligibility categories, reduced patient and caregiver registration fees, allowed dispensaries to submit waivers to add satellite locations and added mobile access so that patients, caregivers and

physicians can register, make payments and upload documents on their Smart phones and tablets.

The biennial patient registration fee was lowered from $200 to $100 and veterans and seniors—65 and older—were added to the list of those who qualify for the $20 discounted registration fee. Those receiving government assistance, including federal disability, already receive the reduced fee.

The new medical conditions are anxiety, migraines, Tourette's syndrome, chronic pain related to musculoskeletal disorders, and chronic visceral pain.

The addition of new medical conditions and mobile access were among more than 20 legislative, regulatory and programmatic recommendations contained in a report I submitted to Governor Murphy in response to Executive Order #6, which directed us to conduct a comprehensive review of the program within the 60 days of the Administration.

The Department is also investing in a public awareness campaign to let physicians and patients know that we are expanding the program. The campaign will feature paid social media, a radio Public Service Announcement and online advertising. In addition, I will be talking to medical students, residents and physicians in our medical schools and teaching hospitals later this spring about the clinical benefits of this therapy.

In my career as a physician, I have spoken to patients who have described how medicinal marijuana has relieved their pain and reduced their reliance on opioids. And studies have demonstrated a strong correlation between the availability of medical marijuana and the reduction of opioid prescriptions. In states with marijuana programs, there have been 3.7 million fewer daily doses of opioid prescriptions filled, an almost 6 percent decrease in opioid prescribing, according to research published in the Journal of the American Medical Association's Internal Medicine publication.

Currently, more than 19,575 patients, nearly 600 physicians, and 875 caregivers participate in the program and with the public awareness campaign, we expect to increase enrollment by several thousand patients over the next year.

Opioid Epidemic

The opioid epidemic continues to take too many lives in our state and Gov. Murphy is taking strong action to address this public health crisis.

He has proposed $100 million for a multi-agency, strategic, data-driven effort to combat the opioid epidemic.

He is investing $56 million in Prevention, Treatment and Recovery. A major portion of this funding will be used to develop a coordinated and comprehensive approach that includes: expanded/improved access to community-based, outpatient programs so that more individuals have more regular, consistent and timely access to treatment—including Medication-Assisted Treatment (MAT)—and recovery peer coach services.

The Governor recognizes that social factors like homelessness and unemployment put people at risk for substance abuse. That's why he is investing $31 million to expand supportive housing for high-risk individuals and families and enhance employment training and support.

Too many people in New Jersey suffer from opioid addiction, but as the father of a newborn son, I believe the impact on unborn children and newborns is the most tragic. The number of drug-exposed newborns has doubled to 685 babies since 2008. Some pregnant women don't realize that they can receive medication-assisted treatment to help them and their babies become opioid free. So, we recently started a new awareness campaign to encourage pregnant women to seek treatment and keep their newborns healthy.

In addition, to improve the infrastructure of the service delivery system, $13 million will be dedicated to developing electronic health records to support connectivity among different types of providers, as well as workforce development and training. We will also prioritize the use of integrated data for population health research and evaluation so that both strategy and programmatic implementation continuously improve.

Family Planning

Family planning services are essential care. Services provided by family planning providers include contraception; sexually transmitted infection (STI) screening; cervical and breast cancer screenings; diabetes, blood pressure and intimate partner violence screenings as well as certain treatments. Through prevention, early detection and timely treatment, family planning services yield health benefits, macro-economic improvements and systemic cost savings. Although many New Jerseyans obtain family planning services through private providers using private health insurance, for low to moderate income residents, publicly-funded family planning services are often the only option.

New Jersey's family planning clinics have a long history offering essential, affordable and quality care to underserved minority populations. Governor Murphy and the Legislature's restoration of the $7.5 million annual family planning funding offers important resources to family planning clinics that are so often the only health care providers that women encounter. We are working to expand and broadly support access to family planning care statewide to support core priorities of health equity; women's equality and the mandate to address indefensibly high and racially disparate rates of maternal and infant mortality. Thanks to the Legislature and the Governor's prioritization of this issue, we are already seeing substantial increases in access to these critical services among our family planning providers.

Charity Care/GME

The budget also supports the Murphy Administration's commitment to our hospitals for the care they provide to our uninsured population and for the essential training they give to our medical residents.

The proposed budget includes $252 million for charity care, which is distributed to all 70 acute care hospitals and one specialty hospital and is used to support hospitals' delivery of free or reduced cost hospital care for low-income, uninsured patients. To improve the system of care for all individuals in the State, the Department will survey all hospitals to gather information on how they connect individuals that receive charity care to value-based primary and preventive care to support their overall health.

Additionally, 46 hospitals participate in the Delivery System Reform Incentive Payment Program (DSRIP), now in its seventh year. DSRIP rewards hospitals for improved quality of care and is funded at $166.6 million. Graduate Medical Education (GME), which is funded at $218 million and is distributed to 43 acute care hospitals, supports the growth of hospital-based physician teaching programs.

DMHAS

The Division of Mental Health and Addiction Services, which was transferred to the Department last fall, represents the largest Division in the Department, with a budget of $1.2 billion and 4,470 employees—including the four state psychiatric hospitals.

The Division is part of a larger Integrated Health branch which is addressing barriers to providing integrated health and, most importantly, streamlining services for patients so they can receive physical and behavioral health care in the same medical setting.

The Division of Health Systems is working toward creating a single license for primary and behavioral health that will modernize the licensing process for all types of healthcare facilities.

As to the State psychiatric hospitals, the Department is committed to offering quality care and prioritizing the safety of patients and staff. The Department seeks to improve clinical care by implementing and standardizing evidence-based practices.

The Department is also working with state partners such as the Civil Service Commission to enhance recruitment and hiring at our hospitals. An understaffed hospital can result in compromises in patient safety. That's why we are continuously working to hire psychiatrists and other clinical staff.

We hired a Deputy Commissioner with extensive experience and expertise in hospital operations and behavioral health services. We are planning to develop an electronic health record for the hospitals and will continue working on compliance with the Centers for Medicaid and Medicare Services and The Joint Commission quality care standards.

We are also working with state partners such as the Civil Service Commission to enhance recruitment and hiring at our hospitals.

In summary, the proposed budget puts the Department on a new path to expand medicinal marijuana, combat opioids as the public health crisis it is, reduce racial disparities in health, strengthen our psychiatric hospitals, and provide funding to support our hospitals who are treating the uninsured and training the next generation of physicians.

I look forward to working with you on these initiatives and now I would be glad to answer any questions.