

Discussion Points

DEPARTMENT OF HEALTH AND SENIOR SERVICES – GENERAL

1. The Governor's budget incorporates an estimated \$5.183 billion over two fiscal years in federal stimulus funding provided by the American Recovery and Reinvestment Act (ARRA) of 2009. According to a table on page 42 of the Governor's abbreviated budget, the State will use \$3.074 billion (\$854 million in FY09 and \$2.220 billion in FY10) from ARRA for budget relief. In addition to these funds which will offset revenue shortfalls, \$2.109 billion will be used for new or expanded programs or initiatives. The ARRA allocates funds to states both by formula and by competitive awards. The Governor's FY 2010 budget includes \$509 million from ARRA for the Department of Health and Senior Services: \$180.6 million in FY 2009 and \$328.4 million in FY 2010 as shown on pp. C-21 and C-22.

- **Question:** Please itemize the federal stimulus funding, if any, other than portions of the \$3.074 billion allocated for budget relief, included in the department's budget, by fiscal year and federal program, setting forth program goals and eligible uses together with the amount for state administrative expenses and the amount for allocation to local public and private recipients, respectively. Please identify intended and actual recipients and the process by which the department determines recipients and funding awards. Are there ARRA funds that flow through your department for which the State has no discretion? Please also set forth the timetable for obtaining federal approval of funding, obligation and allocation of funding to recipients, and use by recipients. Could any of this funding be used to offset other State appropriations, and if so, what programs and in what amount? What additional positions, if any, have been and will be hired with these funds? If this money is being used for new or expanded activities, will the new or expanded activities be continued in FY 2011? If so, how will they be funded?

Answer: Federal American Recovery & Reinvestment Act of 2009 (ARRA) funds included in the department's FY 2009 and 2010 budget include:

Senior Nutrition Program – New Jersey has been allocated \$2.8 million for its Senior Nutrition Program. The funding is for FFY 2009 and FFY 2010. Funds must be obligated by September 30, 2010 and expended by December 30, 2010. This funding is part of the \$100 million made available for the Senior Nutrition Program nationwide through the federal Agency on Aging (AoA). New Jersey's share was determined by AoA's Interstate funding formula. Of the nearly \$2.8 million, \$1.9 million is to be used for congregate nutrition programs and \$900,000 for home delivered meals. The funding will be distributed to the 21 Counties through their respective Agency on Aging (AoA) using the current Intrastate funding formula. This will provide tens of thousands of nutritious meals to an additional 3,000 senior recipients (over 65 years of age). The accounts are set up in the department and the funds are expected immediately.

Early Intervention – The ARRA award for New Jersey Part C of Early Intervention Services is for \$10.8 million. This funding will be divided into two payments of \$5.4 million which is anticipated in early April 2009 for SFY 2010 and \$5.4 million on September 30, 2009, which will be used in SFY 2011. The department is in contact with the U.S. Department of Education, Office of Special Education Programs (OSEP). The Department is awaiting OSEP to issue timelines and federal guidance on the use and release of the Part C funds. The funding allocation is determined by formula to assist in the offset of the growth in child services in the State Early Intervention Program.

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Women, Infants and Children (WIC) – The ARRA provides a total of \$500 million for the WIC Program nationwide. Of this amount, \$400 million has been provided as contingency funds to support participation should the Secretary of the US Department of Agriculture determine that costs or participation exceed federal budget estimates. ARRA also is providing \$100 million in total to establish, improve, or administer management information systems. New Jersey anticipates receiving \$7-10 million from these ARRA funds for SFY 2010 based on contingency needs. The funds are directed to vendors and food suppliers. New Jersey's WIC Program is already serving anyone eligible for WIC with no waiting list. The department is awaiting the federal Food and Nutrition Service to develop mechanisms to provide funding to State agencies.

Federal Medical Assistance Percentages (FMAP) –The current New Jersey rate for Medicaid reimbursement is 50 percent. The economic recovery package increases the FMAP percentages for the period of October 1, 2008, through December 31, 2010. The amount of funding received will be determined by actual medical expenditures as well New Jersey's Unemployment Rate.

It is important to note that the additional funding during this period is designed to provide financial support for the anticipated increase to the existing caseload and to prevent any reductions in services during the recession. There is a requirement that states must not have more restrictive eligibility standards, methodologies, or procedures than those in effect as of July 1, 2008. In order to continue receiving the increased FMAP, New Jersey will continue to cover only individuals currently eligible for Medicaid.

- **Question:** In addition to funding incorporated in the FY 2010 budget, what specific competitive grant opportunities has the department identified that it is eligible to pursue, has applied for, and has been awarded, respectively?

Answer: In response to Federal ARRA competitive grant opportunities, the Department is closely monitoring the ARRA website and has identified several competitive grants that we will apply for. We are awaiting the guidance from the appropriate federal agencies to apply for the funding.

- The federal Centers for Disease prevention and Control (CDC) will soon announce in May the availability of competitive grants for vaccine related surveillance, research, public health response, interagency collaboration, through six requests for proposals (RFAs). DHSS will apply for funding to enhance vaccine related initiatives under our Vaccine Preventable Disease Program.
- DHSS is also awaiting specific guidance from CDC regarding the \$50 million ARRA funding available to states to expend their Healthcare Associated Infection (HAI) Programs. DHSS plans to apply for funds to enhance New Jersey HAI efforts.
- The ARRA also allocated \$700 million to a Prevention and Wellness Fund administered by CDC. The DHSS has advocated to CDC our interest in competing for funds when available for various initiatives including prenatal care, Asthma and Diabetes and Chronic Disease Management for Seniors.
- The National Institutes of Health (NIH) has announced that \$11.1 billion has been allocated to support \$10 billion of conventional medical research, including research-related construction, as well as a new \$1.1 billion fund to examine the effectiveness of existing approved treatments. There are multiple state agencies that may be eligible that DHSS is working to facilitate, including autism-related funding, cancer research and stem cell research funding.
- The Federal Department of Health and Human Services will be making available multiple rounds of ARRA funding for health IT. An interdepartmental group has been intensively planning in anticipation of funding opportunity announcements to come later this year. NJDHSS has been working closely with the Governor's Office of Policy Counsel, the Department of Banking and

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Insurance, the Department of Human Services and the Office of Information Technology to develop a statewide health IT funding proposal.