Good morning 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 proposed budget for State Fiscal Year 2017.

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

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 Anthony Welch, Director of Policy and Strategic Planning

The Department of Health’s $1.7 billion fiscal year 2017 budget reflects our focus on investing in the quality of our health systems, rewarding innovation and improvement of care for residents, and further investing in the medical training of New Jersey’s physicians.

Hospital Funding
This proposed budget dedicates nearly $735 million to our hospitals and federally qualified health centers to provide care for residents and further build the healthcare workforce. Funding for training physicians increases by $60.7 million this year, with a total of $188 million dedicated to Graduate Medical Education. Under the Christie Administration, funds to train physicians through this program have tripled. This budget also right-sizes the Charity Care program to align it with the increased use of New Jersey’s expanded Medicaid program — dedicating $352 million to subsidize care for the uninsured.

We continue to support FQHCs at the same rate for their care to the uninsured. Support of access to primary care and preventive health care is funded with $28 million for community health centers.

This budget again supports efforts by hospitals to improve outcomes for patients through the Delivery System Reform Incentive Payment (DSRIP), which is funded at $166.6 million. DSRIP’s goals are to provide better care for individuals and improve the health of the population. DSRIP reflects the changing dynamics of healthcare delivery.

Equity, transparency, accountability, and quality continue to be the cornerstones of health care funding.

Population Health/Rural Health/OMMH
New Jersey and the nation are transitioning from a clinician-driven healthcare system of episodic care to one focused on population health. Population health centers on keeping healthy New
Jerseyans well, preventing those at risk from getting sick, and keeping those with chronic conditions from getting sicker. It promotes prevention, wellness and equity in all environments. To support this transition, one of my first priorities as Acting Commissioner was to create an Office of Population Health and an accompanying webpage to promote stronger collaboration among hospitals, local health, health care and social service providers, government, businesses, employers and schools. The clinical system of care and the public health system can no longer be viewed as separate silos. Jointly, they must be part of the solution to improve population health.

Public health preventive measures like building healthy environments, providing health screenings and delivering health education are all essential to improve health outcomes for all residents. April is National Minority Health Month, which provides an opportunity to highlight our continuous work to reduce disparities among our minority and multicultural communities. Later this month, I will be speaking at the Department’s Health Equity Forum which showcases how our grantees are using community and faith-based strategies to promote good nutrition and physical activity among New Jersey’s diverse populations. Additionally, this Thursday, the Department will hold its first Rural Health symposium, focusing on addressing health challenges for residents in rural counties who are disproportionately affected by chronic disease.

The cornerstone of population health is regional planning, which brings together healthcare providers, social service agencies, government, businesses, and nonprofit organizations to improve their community’s health. These efforts are showing great progress in the cities of Camden, Trenton and Newark, where residents have received regular and preventive care resulting in reduced use of hospital emergency departments and reduced healthcare costs. The Department, through its Office of Population Health, is looking to expand this work in other cities around the state. The office will coordinate efforts underway in our hospitals, municipalities, community groups and others to broaden its impact and create opportunities for healthy communities.

Additionally, we are strengthening partnerships to improve population health. Recognizing that many factors impact health, the Department is creating a Healthy NJ Advisory Council that will include representation from other state agencies, local health departments, health care providers, community-based organizations and non-traditional public health system partners. This collaboration will improve strategies used across sectors to eliminate barriers, consider socioeconomic factors that influence health disparities, examine ways to enhance health in all policies and support regional collaboration around achieving shared health improvement goals.

**Opioids**
One of the greatest public health challenges that our state and nation are facing are behavioral health issues. The Department has been working to better integrate primary and behavioral health so they can be addressed in the primary healthcare setting.

Recognizing that drug addiction is a complex issue that requires a comprehensive and coordinated approach, Governor Christie created the Facing Addiction Task Force which brings together cross-cutting sectors to address the challenges of addiction. As part of the taskforce, the Department has been working with sister agencies to share data and surveillance to direct
prevention and treatment efforts. Additionally, the Department has granted waivers to EMTs, allowing them to administer Narcan when responding to an overdose. Whether it's Narcan, the Prescription Drug Monitoring Program, recovery coaches, St. Joseph's Regional Medical Center's Alternatives to Opiates Program or the Department's grants to ensure veterans have access to primary and behavioral health, New Jersey is responding with thoughtful, innovative practices to address the different populations impacted by addiction.

Zika
Another pressing health concern for New Jersey is our response to the Zika virus. In May 2015, the Zika virus was only identified in Brazil. Today, the Department is closely monitoring the rapid spread of the Zika virus across Puerto Rico, the Caribbean, and Central and South America. The current risk is to travelers to the more than 40 countries where Zika virus transmission is ongoing, and we have had 8 travel associated cases so far. The greatest concern is pregnant women traveling to these areas because of the strong association between Zika and the birth defect microcephaly.

To increase awareness of Zika, the Department launched a public education campaign in March. As part of the #ZapZika campaign, I joined top physicians at the Department to share information with pregnant women in health centers and hospitals, physician groups, college students, professional medical societies and public health officials. Radio public service announcements are on the air in English and Spanish, along with NJ Transit bus advertising encouraging pregnant women to avoid travel to Zika-affected countries and travelers to prevent mosquito bites by using insect repellent and wearing long sleeves and pants. The Department—in partnership with the New Jersey Poison Information and Education System or NJPIES—has opened a call center for Zika-related questions. Our laboratory is developing the capability to test residents who may have been exposed to Zika while traveling. We are working closely with the Department of Environmental Protection on mosquito prevention and surveillance to protect residents in case our mosquitoes start carrying the virus.

In addition, the Department has increasingly used social media such as Twitter and Facebook to educate the public about critical public health challenges such as Zika, STDs and smoking and share information with other Department agencies and community partners. In particular, the Department has increased its Twitter presence by 25 percent over the past six months as we spread key public health messages and our 2,600 followers share this information with a more expansive audience.

To build upon our efforts, a team of Department and county health officials attended the CDC Zika Summit in Atlanta at the beginning of the month, where federal and state experts shared best practices on disease surveillance, maternal and child health, mosquito control, and laboratory testing. The knowledge gained at this summit will inform our initiatives so we can better protect the health of our residents.

Thank you for this opportunity to highlight the Department of Health’s proposed budget for State Fiscal Year 2017. I look forward to working with you in the future. And now I would be happy to answer your questions.