

**Testimony of Commissioner Carole Johnson
New Jersey Department of Human Services
Assembly Budget Committee
Sept. 9, 2020**

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

Thank you for the opportunity to testify today to discuss Governor Murphy's revised State Fiscal Year 2021 budget for the Department of Human Services. We appreciate the chance to review the ways in which the proposed budget addresses our shared priority of supporting the most vulnerable individuals in our State as they face the tremendous challenges brought by the COVID-19 pandemic.

Joining me today are Deputy Commissioners Sarah Adelman and Elisa Neira, and our Chief Financial Officer Brian Francz. Our Division Directors who have lead our response to this crisis are listening in on the livestream. These terrific leaders have been working day and night since the earliest days of the pandemic to support individuals and families, expand benefits, create new programs, flex rules, apply for and get new federal money quickly to New Jerseyans, and any number of other steps to help fight the food insecurity, health insecurity and economic insecurity this virus has wrought.

I'm honored to work alongside them and the frontline human services workforce in our Department, along with our county human services partners and partners in community organizations who have responded in unprecedented ways to the crisis we face together. I thank them all for their tireless dedication and commitment to those we serve.

And, I thank this Committee and your colleagues across the Legislature for continuing to support our work and for identifying new and innovative ways to make sure New Jerseyans are getting the supports they need in this unprecedented time.

The pandemic has exacted a tragic toll across our State. We mourn the loss of our fellow New Jerseyans and express our heartfelt condolences for every precious life lost to this virus.

As the Governor noted in his budget address, in addition to sparking an unprecedented public health crisis, the pandemic has created an economic crisis in this State rivaled only by the Great Depression and the Civil War. We are faced with incredibly hard choices, but remain steadfastly committed to sustaining and maintaining the critical safety net for New Jersey residents while also making sure it is strong and robust enough to help additional fellow residents who are newly in need.

To that end, the budget plan includes critical investments in both our services and the frontline workforce that delivers this care. Highlights include:

- A new \$250 million initiative to support families needing child care as schools work on re-opening and to support our network of child care centers in New Jersey; this initiative is funded through the federal Coronavirus Relief Fund.
- Nearly \$25 million in new investments in supporting those at-risk for or experiencing homelessness, including new tools to help improve services for LGBTQ+ individuals experiencing homelessness and new supports for county Code Blue response, as well as support for those needing critical income and housing assistance. These funds are a combination of state dollars and CRF dollars.
- \$192 million in new wage increases for the frontline workforce that we know is always vital but that has proven to be valiant in the face of this pandemic. Funding includes those who support individuals with intellectual and developmental disabilities, staff nursing homes, help seniors remain independent at home, and care for our children in child care centers. These are state budget dollars and federal matching dollars.

This budget both makes these vital safety net improvements *and* protects the critical existing services on which New Jersey families depend. Despite a crushing economic picture, there are no benefit cuts to Medicaid in this budget. The Governor made it a priority – one we wholeheartedly share – to charge us with finding savings while taking all available steps to protect the services residents need in these unprecedented times.

Therefore, we specifically sought and proposed efficiencies with our contracted vendors and avoided benefit cuts. The New Jerseyans who depend on Medicaid and the Children's Health Insurance Program for their health care deserve no less.

Before discussing the proposed revised budget in more detail, I want to briefly share with you some of the ways Human Services has worked to support New Jersey residents throughout the pandemic.

First, we've been working to protect health care coverage for those we serve through Medicaid by:

- Ensuring that no one loses Medicaid coverage during the federal public health emergency and that new applications get processed in a timely way;
- Covering COVID-19 testing, visits for testing, and testing-related services at no cost;
- Dramatically expanding benefits like telehealth and establishing payment equity for telehealth to help enrollees see their doctor or other health care provider virtually rather than having to make an in-person visit;
- Supporting older and other vulnerable residents at home through regular check-ins and directing that meals, medical services and supplies be delivered at home as needed; and,
- Covering and encouraging enrollees to get 90-day supplies of prescriptions for maintenance medications as well as early refills of prescriptions – which early in the pandemic helped enrollees comply with the stay-at-home order.

Second, we've been laser-focused on fighting food insecurity and making access to food easier for families.

- Since the start of the pandemic, Human Services has delivered almost \$500 million in additional food benefits to New Jerseyans, including:

- Increasing the money available through our food assistance program, NJ SNAP, by delivering \$260 million in new emergency SNAP allotments to SNAP recipients since March. We've accessed this funding through the federal Families First Coronavirus Response Act.
- Providing more than \$225 million to NJ families through a brand new program we stood up to give more than \$400 per child to each family in the state whose child otherwise would have received free or reduced school lunch but for schools being closed. This funding was also something we were able to access through the Families First Act.

The Department has also:

- Made it possible for SNAP recipients to use their benefits to shop online at retailers like Amazon, Walmart, and participating Shop Rites and Fresh Grocers to have easier access to groceries;
- Worked with the federal government to waive as many rules as possible to get SNAP to families without a lot of paperwork, including being able to do SNAP applications over the telephone, extending re-certifications, and waiving in-person interviews;
- Built a new tool to make it possible to upload required documents online rather than having to mail or drop off application documents like pay stubs - and we made it easier for applicants to track applications online; and
- Developed guides and resources to educate immigrant families on what benefits are impacted by the federal public charge rule to combat misinformation and fear of applying to critical programs like SNAP.

Third, we've worked to help those experiencing addiction and mental health concerns, which have been all too frequent during this crisis, by:

- Launching a new \$25 million initiative with CRF funding to help mental health and substance use disorder safety net providers remain open and accessible by reimbursing them for their unexpected COVID costs such as PPE, cleaning supplies, testing and other needs so as to make it possible for them to continue to serve individuals in need;
- Distributing more than 11,000 doses of the lifesaving opioid overdose reversal drug naloxone (commonly called Narcan) to nearly 180 EMS teams across the state. EMS is often the first – and sometimes only – point of medical contact with an individual experiencing an overdose encounters;
- Expanding our NJ Mental Health Cares hotline, increased its service to seven days a week and establishing a videophone mental health hotline for American Sign Language users to give all New Jerseyans a safe place to talk about the anxiety and fear so many of us have experienced during this pandemic;
- Dramatically expanding tele-mental health services – so that individuals could safely access mental health and substance abuse disorder counseling and supports from home;
- Making it easier to access medication-assisted treatment for opioid addiction by considerably changing the way opioid treatment programs operate, including allowing for more take-home medication wherever possible;
- Aggressively promoting our 844-ReachNJ hotline to assist residents in accessing addiction treatment; including new messaging about the importance of asking about medication to support recovery; and,
- Making temporary changes in the way we structure payments to mental health and substance use disorder providers in our network get more money to them quickly to help them stay open during the peak of the pandemic.

Fourth, we've helped keep older residents safe at home by:

- Delivering \$18 million to county aging offices to support food assistance and delivery to homebound seniors as congregate dining programs at senior centers closed and it was harder to continue home deliveries. These are resources we were able to seek specifically for these purposes under both Families First and the CARES Act;
- Stood up new partnerships between counties and New Jersey's volunteer organizations to help deliver groceries to seniors who were trying to comply with the stay-at-home order and concerned about their safety and going to the grocery store;
- Provided \$8 million to county aging offices to support caregivers, home health services, and other needs. These were dedicated CARES Act funds that we were able to access; and,
- Changed the rules to allow older residents receiving prescription drug coverage through PAAD and Senior Gold to refill their prescriptions early and receive long-term supplies of maintenance medications.

Fifth, we're helping individuals, families and households struggling with the economic impact of the pandemic by:

- Temporarily extending WorkFirst New Jersey cash assistance and NJ SNAP case renewals for individuals whose cases were up for recertification to provide some stability to these individuals during the crisis;
- Supporting homeless shelters by increasing our shelter payments during the pandemic and delivering cleaning supplies and PPE;
- Launching and subsidizing, at the peak of the pandemic, a new emergency child care assistance program for essential workers and supported child care centers throughout the summer by providing our child care subsidy payments based on pre-pandemic enrollment as a bridge to help centers weather the changes happening to their operations. We were able to access emergency child care resources through the Families First Act; and,
- Delivering PPE to emergency child care centers and family child care providers.

Sixth, we have the honor of continuing to serve individuals with intellectual and developmental and other disabilities during this crisis and are supporting them through steps such as:

- Providing, between March and September, about \$134 million in supplemental payments -- \$59 million State and \$75 million federal match -- to I/DD group home providers to help them:
 - Staff and support individuals with I/DD in their group homes during the day as our congregate day programs, sheltered workshops, and other employers were closed; and
 - Provide a short-term three-month emergency increase for staff wages in group homes recognizing this critical work.
- Providing bridge payments to I/DD day program providers to help sustain them during their closure for safety reasons since March, including using temporary federal Medicaid matching funds. Re-opening guidance for day programs was released last week and we expect them to begin reopening later this month;
- Quickly altering the rules to allow individuals with intellectual and developmental disabilities to hire family members to be their supports at home if they chose to;
- Delivering PPE to group homes; and

- Supporting students through our Division of the Deaf and Hard of Hearing and Commission for the Blind and Visually Impaired that are working to virtually support the young children they serve whose learning was disrupted by school closures.

This brief review offers a small snapshot of the work the Human Services team has done since February to battle this pandemic. And, we're committed to continuing this fight.

The Governor's SFY2021 Revised Budget

In fact, the Governor's revised budget builds on this work and continues to expand these efforts, including with new Medicaid funding of \$130 million—\$62 million in state funding, the remainder in federal Medicaid matching funds—to increase the wages of the frontline certified nurse aide workforce in nursing facilities and to help these facilities comply with Department of Health directives by tying funding to metrics. This funding is thanks to partnership with the Legislature and is captured in legislation recently passed by the Assembly with Assemblyman Benson as a second prime sponsor.

The proposed budget also continues to recognize the invaluable contributions of direct support professionals (DSPs) in their service to individuals with developmental disabilities and their families. It includes \$65.7 million to support DSPs and others who care for individuals with intellectual and developmental disabilities in group homes. This is \$31.4 million in state resources with the rest in federal Medicaid matching dollars. Of this amount, \$24 million will support an emergency wage increase from October to December of this year for direct support professionals (DSPs). The additional \$41.7 million in new funding will help ensure that DSPs are paid above the state's increasing minimum wage and raise the wages of group home managers as the minimum wage increases in January.

The Governor's budget also recognizes and values the critical work of personal care assistants who are working tirelessly to serve and protect seniors in their homes. It includes \$42 million for personal care assistants, including \$19.7 million in state resources and the rest in federal Medicaid matching. Of this amount, \$10.5 million will support an emergency wage increase from October to December of this year for personal care assistants who provide critical in-home supports for older residents who need assistance with bathing, eating, and other activities. The proposed budget also increases Medicaid funding by \$31.5 million to raise the base PCA rate to \$19 per hour.

In addition, the proposed budget also includes a \$6.4 million increase for child care to support the vital child care workforce as the minimum wage increases in January. Child care workers are delivering critical services to help families navigate these challenging times.

We're also very pleased that the proposed budget continues this Administration's steadfast commitment to eliminating the unacceptable racial inequities in infant and maternal mortality in New Jersey. We thank Chairwoman Pintor Marin and Assemblywoman Reynolds Jackson for their leadership on this critical issue. Building on our prior work on doula coverage in Medicaid, this budget seeks to modernize payments to nurse-midwives by setting Medicaid nurse-midwife rates at 95 percent of Medicaid physician rates.

Further, the budget continues our commitment to welcoming and supporting immigrants and refugees in New Jersey by funding the Office of New Americans. This office will help immigrant

communities across the state connect to programs by improving access to services and benefits through increased outreach and language access.

Like all departments across government, we too were charged with identifying opportunities for savings, efficiencies and other federal resources that could support our work. The budget the Governor proposed is a frank and honest statement of the incredible financial toll we are facing on top of the overwhelming health toll the pandemic has already caused.

You see in its pages the Governor's commitment to make the difficult cuts where necessary but also to taking every available step to protecting the vital services and supports needed by so many of the individuals who we serve.

What that means for the Department of Human Services is that through maximizing federal support and enhanced federal matching, recovering unspent funds and identifying areas of reduced utilization, we have identified savings and efficiencies without significantly altering services. These savings did not completely eliminate the need for tough decisions, but did help to prevent the kind of cuts to essential services so many of our constituents feared.

Finally, I would like to take a moment to highlight an upcoming Human Services initiative – as we did last year, we will again offer the opioid overdose reversal drug naloxone for free to residents without needing their name, insurance information or an individual prescription.

This year we will make it a three-day event rather than just one and include a Saturday. And, we will have almost twice as many pharmacies participating to distribute the free naloxone. In total, free naloxone will be available at 322 pharmacies including a number of grocery store-based pharmacies across the state from Sept. 24th to 26th

Last year, Human Services' free naloxone distribution gave away 32,000 free doses. Our goal is to help save lives by getting this tool into as many hands as possible – and help people get connected to treatment and on the path to recovery.

In an incredibly difficult budget environment, we are committed to taking all available steps to meet the critical needs of vulnerable New Jerseyans. We look forward to continuing to work with the Legislature on this work and the proposals contained in this revised budget.

Thank you for your partnership and your leadership, and we welcome your questions.