Health Commissioner Judith Persichilli
Assembly Budget Committee Testimony
September 14, 2020

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: Dr. David Adinaro, Deputy Commissioner for Public Health Services; Marcela Maziarz, Deputy Commissioner for Health Systems; Deborah Hartel, Deputy Commissioner for Integrated Health; and Eric Anderson, Director of Management and Administration.

Thank you for this opportunity to discuss the Department's proposed budget of $2.2 billion for Fiscal Year 2021.

I accepted the position of Commissioner at this point in my career because I thought I could contribute to the state where I was born and where I have lived my entire life.

Last month marked the completion of my first year serving as Health Commissioner.
It started with the lead crisis in Newark, a fire at a Mommy and Me health care facility that required a quick evacuation in the middle of the night and a flood in a Trenton building forcing 230 Department employees to an alternate worksite. And, as things were calming down, a pulmonary complication from vaping we had never seen before began affecting young people in our state. And that was all in the first four and a half months of my tenure.

My first year at the Department has been filled with long days and hard work, but the DOH team has been incredible. This public health emergency requires an all hands-on deck response that has certainly challenged our operations. The staff of our agency rose to the occasion, working practically around the clock—including weekends through February, March, April and May—as did our health care workers, first responders and certified nursing assistants in long-term care facilities.

Even when staff were assigned near impossible tasks under extremely stressful conditions, they were able to carry them out. The Department of Health staff has been extraordinary in their ability to confront challenges like managing Field Medical Stations and securing hotels for health care workers and first responders who needed a place to quarantine so they would not go home and possibly transmit the virus to their families.

We started preparing for the potential that COVID-19 would make its way to the state on January 24, when we established an internal crisis management team to monitor the emerging outbreak of a novel virus in Wuhan China. On Superbowl Sunday, February 2, I was notified by the CDC that Newark Liberty Airport would be a "funneled" airport and 350 passengers would arrive the next day from Wuhan, China. They would need to be screened and processed and, if necessary, quarantined. This resulted in one individual from Indiana having to be housed in isolation for 14 days.

On February 3, Gov. Murphy signed an Executive Order calling for the creation of the Coronavirus Task Force, an "all of government approach" in response to the pandemic.

Predictive modeling mid-March based on data collected from acute care facilities in New Jersey and using the CHIME model (developed by Penn Medicine specifically to assess hospital needs) suggested that we could see between 10,000 and 80,000 hospitalizations with between 6,000 to 40,000 in Intensive Care beds.

The range of estimates for both hospitalization and ICU bed use was influenced by the inclusion of measures of social distancing at 0%, 31% and 50%. New Jersey's acute care capacity is 20,000 beds with 2,000 licensed as critical care.

It was also apparent that international supply chain disruptions would impact the availability of personal protective equipment and life-saving equipment like ventilators.

In response, we set up an Emergency Operations Center at the ROIC—the Regional Operations Intelligence Center—which served as the nerve center for management of staff, supplies and communications.

In expectation of the predicted surge, we divided the state into three regions with the Level 1 trauma centers as the collaborating entities for each region. The hospitals were asked to double their critical care capacity. Elective surgeries were cancelled, and we called in the Army Corp of Engineers to stand up field medical stations in Secaucus, Edison and Atlantic City. Additionally, we worked with the Corps and hospital systems to stand up closed hospitals and wings. Within three weeks, an additional 2,000 beds were made available.

The Coronavirus Task Force established by Governor Murphy met weekly as state departments prepared for new ways to work and continue to serve the thousands of residents in group homes, schools, shelters, early intervention services and other vital programs.

The Department developed guidance for hospitals and long-term care to curtail visitors and enhance infection prevention strategies. In all, 18 guidance documents were sent beginning on March 3.

On March 4, we had our first case of COVID-19 and by March 10 we had our first death. New Jersey's first reported outbreak in an Assisted Living was on March 11. The first outbreak in a long-term care facility was reported on March 15.

In mid-March, the Chief Medical Officer at CentraState Medical Center alerted the Department of a severely ill patient, in respiratory failure who had attended a family gathering on March 3rd and the family was reporting another member of the family was in a Philadelphia hospital with similar symptoms. It was reported that the patient had contact with a Bergen County case and within a week, 15 family members came down with symptoms of COVID-19.

On March 18, the first member of that family died. Shortly thereafter, 4 more members of the family succumbed to the disease.

It became apparent that the transmissibility and severity of this virus was something we had not experienced in our lifetime.

On March 16, the Governor began mandating social restrictions including closing restaurants, retail stores and schools. The goal was to flatten the curve and decrease the transmission of the virus. Staff at the ROIC began taking a full inventory of PPE throughout the state and began stockpiling supplies—especially scarce ventilators.

The state began an unrelenting search for PPE and ventilators, from the White House Strategic National Stockpile to third party vendors. The ROIC, the New Jersey State Police and the Department of Health were literally moving ventilators in the middle of the night to assure that all who needed care received it.

PPE continued to be—and continues still to be—in critical supply.

By April 14, our hospitals were experiencing the predicted surge, treating 8,300 COVID patients and 2,300 critical patients with 97 percent on ventilators.

Since that surge, fortunately, the curve has flattened, and our hospitals have seen a steady decrease in hospitalizations and the number of critical patients.

Although we suffered a disproportionate percentage of deaths, and sadly half of our deaths were among residents of long-term care, we are now seeing mortality in single digits—thankfully.

We have come a long way since the beginning of the pandemic when testing was scarce. More than 3 million tests have been performed and our positivity rate has fallen from over 5 percent to less than 2 percent. Contact tracing has greatly expanded from 300 before the pandemic to nearly 2,000 contact tracers currently in place. We have more than 1,000 isolation and quarantine spaces for those experiencing homelessness or others who needed a place to safely quarantine from their loved ones. And the 24-hotline run by the NJ Poison Center has received approximately 50,000 calls from the public.

We are now gradually reopening and preparing for a mass vaccination program when a COVID-19 vaccine becomes available. We also are preparing for the possibility of a "twindemic" of the seasonal flu overlapping with a second wave of the coronavirus. For that reason, it is critical that as many residents as possible get a flu vaccine—as soon as possible—to reduce flu illnesses and hospitalizations and conserve healthcare resources.

This public health emergency has had an unprecedented impact on our state. The New York metro area emerged as the first hotspot in the United States. Every corner of our state was affected. There have been more than 196,000 cases and sadly, we have lost more than 16,000 New Jerseyans to this virus. Life as we know it changed and we are now all living the new normal.

To continue the state's recovery and the COVID-19 response, we need greater federal support, but we are thankful for the federal funding we have received.

The Department has received a 3-year CDC Emerging Infectious Disease grant for more than $613 million that will help enhance our efforts to detect and contain COVID-19 and other communicable diseases. This funding is helping to expand testing, enhance lab capabilities, improve data and surveillance, support local public health departments, bring testing to vulnerable populations and increase public awareness about the importance of getting tested and participating in contact tracing.

Federal support has also allowed us to allocate $37 million to fund local and county health departments. These funds provide health departments with more resources to identify, track and address local outbreaks quickly as well as reimburse them for carrying out critical local public health efforts such as case contract tracing, providing guidance to long-term care facilities, standing up community testing sites and ensuring individuals have a safe place to quarantine.

The Department received $15.4 million in CARES Act funding and an additional $850,000 in Health Resources & Services Administration funds to prevent, prepare and respond to COVID-19.

This budget proposal acknowledges that the state is still in a battle against COVID-19 and provides $6 million to the Department to hire more staff to manage and oversee the response.

Hospitals

Throughout the pandemic, New Jersey's hospitals were on the frontlines working tirelessly to save lives. The sacrifices of all our healthcare workers have been exemplary. They were caring for patients under the most difficult circumstances, while also worrying about their own health and those of their families. We are thankful for their dedicated service.

Recognizing that hospitals were hit hard by the virus, the federal government established several funding sources for hospitals. New Jersey hospitals, because they experienced a high volume of COVID-19 patients, have received more than $3.58 billion in CARES Act funding thus far. Of these funds, $53.2 million was allocated to reimburse hospitals to treat and test uninsured patients for COVID-19 and $584.4 million was specifically for hospitals that were highly impacted hospitals.

The Murphy Administration has proposed $344.9 million in subsidy payments to hospitals for the 9-month FY 2021 budget. Given the unprecedented decline in state revenues, this is 10 percent less than the $383.25 million that was authorized for the same time period in FY 2020.

Total funding for each subsidy is as follows: Charity Care will be $181.575 million; Graduate Medical Education will be $147.15 million; and Graduate Medical Education Supplemental will be $16.2 million. The 10 percent reduction was applied consistently to each hospital's subsidy.

There are no planned changes to the formula used to calculate the subsidies. Charity Care will continue to be based primarily on the amount of documented charity care hospitals provide, with the largest percentage going to hospitals with the highest relative charity care percentage. GME and GME Supplemental will also continue to be based on formulas used in previous years.

Long-term Care

This proposed spending plan recognizes the impact that COVID-19 has had on long-term care facilities. Across the nation, nursing homes and Assisted Living facilities have been at the epicenter of the pandemic. This budget invests more than $1 million to boost the resiliency of these facilities by creating an Office of Long-term Care dedicated to assisting these facilities in improving their infection control measures, among other things.

The Department has implemented nearly two dozen of the reforms recommended in June in a report by Manatt Health. A key recommendation called for a testing plan for residents and staff. Since May, 433,000 tests have been completed on residents. Positivity among residents has reduced from 6 percent in May to 1 percent in September. During the same time period 736,000 test have been completed on staff. Positivity among staff has reduced from 3 percent in May to less than 1 percent in September.

The Department created a Long-Term Care Emergency Operations Center (EOC) to provide a centralized command structure to manage the emergency response to COVID in long-term care facilities. The EOC, chaired by Dr. David Adinaro, DOH's Deputy Commissioner for Public Health Services, monitors testing of residents and staff, supplies of PPE and therapeutics needed to protect residents and staff. The Department has also issued detailed guidance on reopening that requires facilities to meet certain benchmarks including adequate infection control, staff and Personal Protective Equipment (PPE).

Maternal Health

As much attention was focused on containing COVID-19, the Department didn't lose sight of ongoing public health challenges such as the maternal mortality crisis. Last month, we convened an expanded Maternal Mortality Review Committee that performs comprehensive reviews of deaths among women to determine circumstances surrounding the death, the contributing factors, and recommendations for prevention.

The Department also released the 2nd NJ Report Card of Hospital Maternity Care, which shows that some aspects of maternity care have improved since 2016 such as cesarean delivery rates which dropped from 35.7 percent to 34.4 percent. However, shameful disparities in outcomes persist for mothers of color in our state.

This budget provides $250,000 to implement implicit bias training in the state's labor and delivery hospitals to help improve outcomes for women of color and their infants. We must continue this effort to ensure all mothers have equal access to a safe and healthy birth.

MMP

Another key achievement is the expanding access to medicinal marijuana.

Today, I am pleased to announce that we have issued a permit for the 12th medicinal marijuana dispensary to open. Garden State Dispensary will open a dispensary in Eatontown later this week. It will be the first dispensary in Monmouth County.

Since the beginning of the Governor's administration, we've added more than 70,000 new patients and the number of participating physicians has increased by 240 percent. There are now more than 1,200 physicians helping patients access medical cannabis. And we have dramatically increased cultivation capacity – expanding from 50,000 cannabis plants in 2018 to nearly 350,000 in September 2020.

During the pandemic, the Department helped patients access cannabis by allowing curbside delivery, telephone counseling sessions, and we issued a waiver in June to allow alternative treatment centers to provide home delivery.

Closing

This is a difficult time, and the State needs to make reductions to ensure the State's fiscal future. None of the budget decisions were made lightly. It is incumbent upon all members of the State to sacrifice during this time of fiscal uncertainty.

We appreciate the proactive role the legislature has played in addressing the many public health challenges we face. The Department looks forward to continuing our partnership to build a stronger, fairer and healthier New Jersey. Thank you for this opportunity to discuss the Department's budget.

Now I would be happy to answer your questions.