Health Commissioner Judith Persichilli
Senate Budget and Appropriations Committee Testimony
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Good Morning Chairman Sarlo, Vice Chair Cunningham and Distinguished members of the Senate Budget and Appropriations Committee.

I'd like to take a moment to introduce the Department's leadership team that is here with me today: Our State Epidemiologist Dr. Tina Tan; Dr. David Adinaro, Deputy Commissioner for Public Health Services; Marcela Maziarz, Deputy Commissioner for Health Systems; Deborah Hartel, Deputy Commissioner for Integrated Health; and Director of Management and Administration Eric Anderson.

Thank you for this opportunity to discuss the Department's proposed budget of $2.3 billion for Fiscal Year 2022.

This is my first opportunity to speak in front of you since this once-in-a-century global pandemic began. If you recall, last year I did not appear before this committee. So, if you will indulge me, I want you to know all of the things the Department has accomplished. I want to share the journey we have been on for over a year.

The Department started to plan for a pandemic at the beginning of February after hearing of the devastating impact that a novel virus—never seen in humans—was having on Wuhan. At that time, little was known about the transmissibility of the virus and at that time the virus SARS COV 2 did not even have a name.

As we received reports of hospitals being overrun by seriously ill patients, along with the Office of Emergency Management (OEM) we set up a command center at the New Jersey State Police Regional Operations Intelligence Center (ROIC) and started planning for an expected increase in cases. Little did we know that from a six week period from our first identified case on March 4, that our hospitals would

experience the greatest surge in patients never before seen in a century, or for that matter in my 50 years of affiliate with heath care.

We requested the Army Corp. of Engineers and they came in and set up 3 Field Medical Stations to prepare for 1,000 possible admissions and in the end, they cared for over 500 patients. We commandeered closed hotels and set up isolation rooms for individuals who could not safely isolate at home or were homeless, and respite for weary and exhausted health care workers. Tents were set up in hospital parking lots and unused wings and cafeterias were converted to patient care areas. As a result, no patients were turned away or denied care.

We developed with Rutgers a contact tracing training program and trained over 3,000 contact tracers that were redeployed to local health departments. We implemented a Contact Tracing data platform, CommCare, to support the Contact Tracing case investigation and follow up. We had our first case on March 4 but were not approved to do our testing until March 17. As soon as were approved, we set up mass testing sites and followed up by setting up 400 testing sites in New Jersey. A comprehensive testing program was established with nearly 14 million tests performed and, on some days, tests performed daily exceeded 90,000. We implemented a COIVD NJ Alert app to support our public health mitigation activities. We invested millions of dollars in the local and county health services to bolster the infrastructure that had been neglected for decades; both at the state level and nationally.

All these activities and many more continue to this day and our work now is to beat back this virus by our ambitious program to vaccinate 70 percent of the adult eligible population in New Jersey.

We set up a registration and appointment system with Microsoft to support our activities along with the call center to support the residents of New Jersey by answering questions, registering 64,000 residents, and making appointments for 94,000 people. We augmented our New Jersey Immunization Information System to handle a vaccination program of

this enormity and we have set up over 1,200 points of dispensing. In four months, we have delivered more than 7.6 doses of vaccine and 47.9 percentage of New Jerseyans are fully vaccinated.

Gov. Murphy's proposed budget makes investments in public health that support the Department's continued response to the pandemic and strengthen health services and healthcare delivery across the state.

As you know, New Jersey was at the center of the COVID-19 public health emergency that has had an unprecedented impact on our state. Our first case of COVID-19 was on March 4 and it has been one year since New Jersey experienced the initial surge of COVID-19.

Several factors made New Jersey more susceptible to COVID-19 cases and deaths than other states. New Jersey is the most densely populated states in the nation with 1,263 residents per square mile, followed by Rhode Island with 1,061 residents per square mile. We are rank 11th among states with the most multigenerational housing. A source of significant familial spread. And, it's also important to note that 40 percent of children with Multisystem Inflammatory Syndrome in Children are Latinos. Additionally, we are home to a major travel hub—Newark Liberty International airport—and we are near major hubs in New York and Pennsylvania. In January alone, more than 3 million New Jersey residents took advantage of national and international travel, most likely being exposed to a disease we did not even know existed. The proximity of Essex and Bergen counties to New York City turned the northern part of the state into a hot zone. By the time we announced our first case in Bergen County, based on what we now know about transmissibility—the virus was likely circulating in our state in late January and early February.

It is difficult to sit here and recall the dark days of only one year ago when over one weekend our hospitals were challenged with a surge of

patients, the worst influx of critically ill patients ever experienced. We got hit hard and the trajectory of the increase in cases was something I never experienced in over 50 years of working in and with hospitals.

Within days our hospitals reached a peak of 8,270 patients and 2,300 critically ill patients were in intensive care and 97% of the patients were on ventilators. We had no PPE, no N95 masks and nurses were wearing garbage bags for protection. We were in an unrelenting search for PPE and ventilators, from the White House Strategic National Stockpile to third party vendors. We were literally moving ventilators in the middle of the night to assure that all who needed care received it and they did.

We developed a PPE distribution methodology based on volume of patients being cared for and overall need. It included both hospitals and long-term care. Through this effort last spring, New Jersey rapidly distributed more than 60 million units of PPE and secured 2,100 ventilators despite significant global and national shortages.

We have now launched the largest vaccination effort in the state's history that began vaccinating healthcare workers on December 15. The phased rollout of vaccine focused on preventing morbidity and mortality and supporting essential societal functioning. New Jersey is among the top states in getting shots in arms—more than 7.6 million doses have been administered. The credit for the success of this vaccination program goes well beyond the Department of Health. We could not have made this progress without the federal, state and local community partners who have stood beside us along the way—county and local health agencies, healthcare and long-term care facilities, community leaders, faith leaders and elected officials who have stood up vaccine sites and performed education and outreach.

As you know, the pandemic has had a disproportionate impact on communities of color. We have been focused on bringing resources to underserved communities—because we recognize that the same long-standing inequities that have contributed to health disparities affecting

racial and ethnic groups have also put them at increased risk for COVID-19.We are collaborating with churches, mayors and community groups to bring testing and vaccine to more communities, especially communities of color. Young Hispanic males are two and a half times more likely to die from this disease than their white counterparts and black men and women are 2 times more likely to die from COVID as their white counterparts.

The Department has a Vulnerable Populations Plan that involves partnering with community and religious leaders and FEMA to operate vaccine pop-up sites in places of worship, senior centers, community centers and local health agencies.

Now that the pace of vaccinations has slowed, we have pivoted to a more strategic focus of going deep into communities to try to reach those who haven't been vaccinated yet. To help us in this effort, we launched the COVID Community Corp, which is being deployed in communities of color to provide education, help with registration and access to vaccination sites. We have also rolled out mobile command units to bring vaccine to where people are. The mobile units are visiting communities that can benefit from the efforts based on the percent of racial and ethnic minorities, the percent of those living in poverty, COVID-19 death rates, and vaccination rates.

To help build confidence in the vaccine and share information on the vaccine rollout, I have held calls with more than 130 stakeholder groups representing 25,000 members. Additionally, Drs. Meg Fisher and Eddy Bresnitz, Department special advisers, have participated in a multitude of similar information sessions.

Currently, we are already seeing greater uptake of the COVID-19 vaccine in adults than both the flu and pneumonia vaccine in prior years.

With COVID-19 cases on the decline, more than 7.6 million vaccines administered and the good weather allowing more outdoor activities, we

are in a very different place that we were in last May. Reflecting the positive progress, the Governor has taken significant steps to reopen the state. But we can't let our guard down now, we need everyone who is eligible to get vaccinated and all residents to continue practice physical distancing and masking when participating in large gathering.

Much of our overall COVID-19 response was also focused on supporting New Jersey's long-term care facilities.

Long-Term Care

Across the nation, nursing homes and Assisted Living facilities have been at the epicenter of the COVID-19 pandemic. The impact on our long-term care facilities, where more than 7,860 residents died, was devastating. The virus did not discriminate—all long-term care facilities—for-profit, nonprofit, state-run—were affected.

On March 13, the Department mandated that facilities restrict visitors and screen staff and other medical professional visitors. On March 15, we were notified of the first outbreak in a long-term care facility.

On March 20, 16 days after our first case, we curtailed admissions at 7 long-term care facilities.

On March 22, in response to concerns from the long-term care industry that they were having staffing problems, we initiated waivers allowing flexibility in their staffing allowing additional staff to be easily onboarded at the facilities.

On March 25, I personally called the Washington state Department of Health, the state that experienced the first long-term care outbreak to learn from their response—their guidance and recommendations were the same as ours.

On March 30, the Department issued a directive requiring all facilities to implement universal masking.

Also, on March 30th, the Long-Term Care associations—the American Health Care Association and National Center for Assisted Living—issued guidance for readmissions that followed CDC guidance.

On March 31st, following the Long Term Care's own Associations, and as patients were being discharged from the hospital to their homes in long-term care facilities, the Department issued a directive to all administrators with specific instructions on the requirements for allowing residents to return to their homes. This has been repeatedly misrepresented.

We were very clear that the facilities could only re-admit residents if they could separate them from other residents, maintain proper infection control and had sufficient PPE and staffing. But, most importantly, they needed to tell us if they could not meet these requirements. The Department tracked on a daily basis each facility's report on whether they were able to comply with the directive. That same day that the directive was issued, I held a call with long-term care facilities outlining the requirements.

The day after that call, and based on one administrator's concern for readmissions, the Long-term Care Association sent a memo to their members stating that our directive "provides affirmative statement for denial of such admissions."

We also required the facilities to report daily on their capacity to admit based on the requirement. Within 24 hours, 90 facilities informed the Department that they could not meet the requirements to admit patients or re-admit residents. Within a week, 200 facilities reported to the Department that they couldn't admit residents. The stress on facilities escalated as more residents and staff began to become ill and we received calls from administrators in the middle of the night having difficulty caring for residents. We said we would make alternative arrangements and we did. We contracted with three different long-term

care systems and opened COVID only facilities and more than 3,000 patients went to those facilities in April, May, and June.

Our first case in Assisted Living was on March 13 followed by our first nursing home case on March 15. 51% of the deaths in long-term care occurred in April. Death is a lagging indicator. This suggests that those infected acquired COVID-19 most likely in February. The Department has supported long-term care facilities with 75 million pieces of PPE throughout the response. Additionally, we supported nursing homes with more than $800,000 in funding for equipment to allow residents to communicate virtually and visit safely with families and guardians with clear dividers and tents.

As COVID-19 took over our state, in long-term care we restricted visitors, required universal masking, prohibited re-admissions and admissions unless PPE, staffing and cohorting were available. We redeployed staff to hard hit areas, and we activated COVID-19 only nursing homes and yet the virus endured with a devastating impact.

The Department has been providing guidance and support to long-term care facilities throughout this outbreak.

Manatt Health

The issues we faced in long-term care challenged us to examine ways to improve the resiliency of the industry. That's why in early May, we contracted with Manatt Health to examine our response. One of the report's findings was that high community spread brought COVID-19 into these facilities. As congregate settings—sometimes with three or four beds per room—nursing home residents have weakened capacities to fight back infection, putting them particularly at high risk for outbreaks.

Following Manatt's report, the Department has implemented 37 short-term recommendations to increase resiliency. We implemented an aggressive testing strategy with more than 1.7 million tests performed on

residents and staff. We established a Long-term Care Emergency Operations Center and a steering committee headed by Dr. Adinaro, an emergency physician with experience as an EMT. Additionally, an Office of Long-term Care Resiliency was created, we increased oversight, inspections and enforcement and established interdepartmental workgroups. As part of the implementation of the report, we created a hospital/long-term care collaborative—partnering 8 acute care facilities with 118 facilities.

Since the beginning of the pandemic, we have conducted more than 1,000 infection control inspections, more than 520 regular surveys and investigated 758 complaints at long-term care facilities.
As a result, 613 deficiencies have been cited and in conjunction with the Centers for Medicare and Medicaid Services $2.2 million in penalties have been imposed against 79 providers.

To increase transparency and accountability, in February, we launched a new long-term care landing page on the Department's website to provide key resources for families, advocates, the public, facilities and staff. The webpage includes information on current outbreaks, a user-friendly portal to identify the reopening status of facilities and links to summaries of inspection reports of facilities to make it easier for consumers to view critical information about the performance of each facility on key health and safety metrics including vaccination rates.

Additionally, deputies at the Department have held 40 hours of educational webinars to support nursing homes and held 21 hours of weekly calls with the industry.

This virus has been unrelenting, and we continue to learn more about it every day, but we have learned a lot since our first case and have been working day and night to strengthen our public health infrastructure and healthcare system.

Although the Department's leadership and staff have devoted enormous time, effort and resources to the pandemic and the COVID-19 vaccination program, all our other public health programs—and challenges—have continued and I will briefly highlight some of those:

Medical Marijuana

As of early April, thanks to three years of reform under the leadership of the Department, the Medicinal Marijuana Program has grown by nearly 90,000 patients from 17,000 to more than 105,000 and has tripled the number of dispensaries. On April 12, the Cannabis Regulatory Commission held its first organizational meeting and voted to take authority for the regulation of the Medicinal Marijuana Program from the Department. Following that meeting, the Department is working diligently with the Treasury Department to ensure a smooth transition with no disruption to any patient services.

Ebola Outbreak

On March 5th, we reactivated the Department's Ebola plan in response to an outbreak in the Democratic Republic of Congo and Guinea. Newark Liberty Airport became a "funneled" airport and along with the local health departments, the Department of Health has been monitoring travelers who require assessment. To date that number is approximately 100 individuals.

Legionnaires' disease

In March, the Department responded to a cluster of Legionnaires' disease cases in Union County connected to cooling towers. As part of the investigation, 18 cases were identified – 17 of these individuals needed hospitalizations and one death occurred. The Department worked with the local health departments in the county to provide remediation recommendations to the property owners and conducted follow-up visits to ensure compliance.

Delayed childhood screenings
Both nationally and in New Jersey, the pandemic adversely affected the identification of children with elevated blood lead levels due to the closure of many medical offices, schools, and day care centers last spring.

As a result, the number of young children screened for lead declined 20 percent—reflecting the national trend. In addition, 11 children had to be hospitalized for elevated blood lead levels of 45 mcg/dl or more. Lead is still the most common environmental toxin for children and even very low blood levels can cause permanent, irreversible neurologic damage. To address this issue, we have partnered with the New Jersey chapter of the American Academy of Pediatrics on approaches to increase lead screening by connecting with the pediatric medical community, preschool services, and families. I also sent a letter to healthcare providers across the state urging them to contact parents to reschedule missed well-visits.

These efforts are in alignment with Governor Murphy's comprehensive plan to address lead exposure in New Jersey to protect all residents, especially children, from the dangers of lead. That plan identifies policy actions across multiple state departments and agencies to address lead exposure due to lead-based paint, lead service lines and plumbing, and contaminated soil.

As child well-visits were delayed, we also saw a drop in immunization rates for young children of about 9 percent compared to 2019. We encourage parents to contact their child's pediatrician to ensure vaccinations are up-to-date. Immunizations are a powerful way to prevent illness and deaths.

Overdose Initiatives
While New Jersey averted a dramatic increase in drug-related deaths expected due to the pandemic, Gov. Murphy's budget recognizes that the state is still combating an overdose epidemic. As part of that

funding, a $1 million increase is proposed for New Jersey's Harm Reduction Centers for services to support the health of individuals in active use with new syringes, naloxone, and HIV and Hepatitis C testing, overdose prevention education, counseling and care coordination. Another $1 million investment will support Overdose Fatality Review Teams, which allows local health departments to convene local stakeholders to better understand the causes of a fatal overdose and to develop and implement solutions.

Maternal/Infant Health

Another health priority that remains at the forefront thanks in part to the leadership of the First Lady is ensuring more equitable maternal and infant care and outcomes. As part of the increased funding to support women's health and maternity care, the Department is receiving $450,000 to create a registry for community doulas, who provide physical, emotional and information support to women during labor, birth, and the immediate post-partum period. Additionally, the proposed budget maintains funding to implement implicit bias training in the state's labor and delivery hospitals and programs aimed at reducing Black infant mortality to help improve outcomes for women of color and their infants.

HIV Prevention/Treatment

The proposed budget also continues the Administration's commitment to address the HIV epidemic with an increase of $3 million in HIV funding. This funding will be used to develop new and expanded innovative HIV prevention and care services. A primary use of the funding will be to increase access to HIV prevention medications and rapid antiretroviral treatment.

Healthcare Facilities

The largest portion of the Department's budget is dedicated to hospital funding. Gov. Murphy's proposed budget recognizes the heroic efforts of New Jersey's hospitals to provide uncompensated care to our

uninsured residents during the pandemic and has increased funding with a one-time boost of $10 million in Charity Care.

The Department also continues to support Graduate Medical Education funding, providing $218 million to all teaching hospitals and $24 million in additional funding to the 14 hospitals that serve the greatest proportion of individuals enrolled in New Jersey Medicaid.

Additionally, the State has proposed allocating $210 million to a successor Quality Improvement Program to improve outcomes in maternal and behavioral health services.

To help train the next generation of physicians, the proposed budget provides $1 million in funding to the Hackensack Meridian School of Medicine.

Another essential part of our healthcare system is our Federally Qualified Health Centers. These 24 healthcare facilities with 136 sites provide care regardless of ability to pay to underserved communities. The Governor has maintained funding at $32 million to support their care of the uninsured, underinsured, and undocumented.

The proposed budget also recognizes the Visiting Nurse Association of Central Jersey - LGBTQ Community Health Center with an increase of $250,000 for a total of $1 million in funding. This center provides an array of comprehensive care and wellness programs, which includes primary care, HIV testing, care and treatment, behavioral health, and other services in a safe, culturally competent environment.

Funding to Improve Infection Control at Healthcare Facilities

Ensuring that healthcare facilities are following standards and regulations is critical to protect the health of patients and this is especially important at long-term care facilities which care for the most vulnerable patients. The proposed budget recognizes the critical role inspections play in infection control with $1.2 million for these services.

The Governor's budget also increases funding by $390,000 to our Infection Control Assessment and Response (ICAR) team to assist healthcare facilities in reducing the number of outbreaks by assessing their infection prevention programs, providing educational resources, and sharing best practices.

COVID Federal Funding

In addition to the support the Governor's budget provides to make investments in public health, the Department is benefiting from $1.6 billion in federal funding. The pandemic pointed out deficiencies in the public health system and this funding will help us build public health infrastructure and capabilities across the state.

This funding is helping to continue robust testing initiatives across the state, enhance our public health lab capabilities, improve data and surveillance of disease, promote COVID-19 testing and vaccinations, fund positions at local health departments and support contact tracing.

Since the beginning of the pandemic, more than $180 million in funding has gone out to hospitals, long-term care facilities, county and local public health agencies, community organizations to offer testing, vaccinations and support services especially to vulnerable populations.

The pandemic has brought to light the vital role public health plays in keeping us all safe and healthy. These investments were long overdue.

Governor Murphy's proposed budget again reflects a strong investment in the health of New Jersey residents, and it will help us build back from the pandemic while moving our state forward.

The Department appreciates the collaboration with the Legislature 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.