

**Assembly Budget Committee Testimony**  
**Health and Senior Services Commissioner**  
**Heather Howard**  
**Tuesday, April 21, 2009 - 10am**

Good morning Chairman and distinguished members of the Assembly Budget Committee.

Thank you for this opportunity to appear before you today to discuss the budget for the Department of Health and Senior Services.

Given the extraordinarily challenging fiscal situation, Governor Jon Corzine has made some difficult choices, but the right choices, to protect health care and senior services. This proposed budget preserves access to health care, maintains level charity care funding, and sustains vital programs for children and seniors.

We know state revenues are declining, and unemployment has increased and is causing more families to apply for important public safety net programs. In addition, as medical costs rise, more businesses are reducing or eliminating coverage for their employees. These workers—along with the newly unemployed—may lose their health insurance and will be forced to turn to Medicaid, charity care and community health centers, placing unprecedented distress on our health care delivery system.

We know that nationally, every one percent increase in unemployment results in 1.1 million more uninsured, and an additional 1 million people enrolling in Medicaid. Before the recession, an estimated 1.3 million New Jersey residents were uninsured – a number that would certainly have been higher without the efforts of this Governor and Legislature to expand access to health insurance.

In response to the fiscal crisis, the Department examined every program in search of savings. No program was immune. In fact, in order to find significant savings, we could not avoid cuts in the Department's five largest programs, which make up 94% of the Department's budget: hospital funding; PAAD and Senior Gold; nursing homes; home and community-based senior programs and the Early Intervention program.

But we have strived to maintain direct services as much as possible and to protect the public health. We are taking concrete steps to expand access to prenatal care. We are also strongly promoting chronic disease self-management and continuing our campaign to eliminate health disparities for all New Jerseyans.

The health-related grants in the federal stimulus package—from senior nutrition programs to vaccine funding to health information technology—offer the state a unique opportunity to prevent more drastic cuts to key health programs and services.

The Department is working closely with our partners to take advantage of every opportunity to bring federal funds into the state. An implementation team at the Department has been actively engaged in health related federal stimulus programs under the Recovery Act.

For example, over the next two years, New Jersey's 20 community health centers will receive \$9.4 million to expand health services, with more to come. In addition, the Early Intervention program is expecting \$10.8 million to meet growing needs, and the county offices on aging will be receiving \$2.8 million for senior nutrition programs that will provide tens of thousands of meals to an additional 3,000 seniors around the state. These important funds will meet increased demand for working families in this extremely difficult economic time.

Chairman, we have strived to protect the health care safety net in this budget, preserving \$605 million in reimbursement to hospitals for charity care. This budget also includes funding for the Health Care Stabilization Fund, which provides grants to hospitals to preserve access to critical health care services in their communities. And it maintains the \$40 million in funding to reimburse community health centers for providing care for uninsured patients.

We are committed to ensuring that every child born in New Jersey has a healthy start in life and that our seniors have access to long term care services that best meet their needs.

Governor Corzine has clearly made health care a priority in this difficult time. This budget makes the right choices – we are protecting the most vulnerable, including our seniors, and maintaining the health care safety net.

Thank you for giving me this opportunity to present the proposed budget for the Department of Health and Senior Services. I look forward to continuing our dialogue throughout the budget process.