

**Assembly Budget Committee**

**May 1, 2017**

**10:00 AM**

**Remarks for acting Commissioner Elizabeth Connolly**

Good morning, Chairman Schaer and members of the Assembly Budget Committee. I'm here today to discuss the Governor's proposed Fiscal Year '18 budget as it relates to the Department of Human Services. I'd also like to take this opportunity to share with you – very briefly - just a few notable accomplishments, made possible with state investments in fiscal year '17.

Last July, addiction providers were moved to a fee for service billing model – one that ensures payment for services rendered, assists the state to determine in real time the availability of beds or slots and to track utilization. Many of you likely have heard the concerns of a few mental health providers reluctant to transition to this model, but the addiction providers and the sixteen mental health providers that moved to FFS in January have adjusted well and are appreciating the budget flexibility and timely Medicaid reimbursements FFS provides.

Earlier this year, the NJ Health Care Quality Institute released its Medicaid 2.0 report in which it listed 24 recommendations for the state to pursue as it continues to restructure the program and enhance services to its members. The state was encouraged and proud to note that of the 24 recommendations, 21 already are in progress or awaiting federal review and approvals.

In March, the state was released from its Mental Health *Olmstead* Settlement Agreement, which began in 2009 following a lawsuit on behalf of patients in NJ's psychiatric hospitals. The settlement required New Jersey to develop 1,065 new supportive housing units for individuals ready for hospital discharge and others who may be at risk of admission to state hospitals. The state exceeded this target. We are providing a greater array of these resources, which helps to prevent unnecessary hospitalization and to assist consumers to attain and sustain recovery with as little disruption as possible to their work and home lives. We're incredibly proud of these advances.

Also in March, the Community Care Waiver finally was approved by the federal Centers for Medicare and Medicaid Services after more than five-years of extensions and delays. This authorization now equalizes benefits for people with intellectual and developmental disabilities who are participating in the Supports Program and the CCW. It also allows the state to add many more services for eligible enrollees.

For several years, as the state struggled through the modern recession and now, into recovery, the department has worked to maximize funding for its critical programs in ways that improve quality, broaden access and create efficiencies in delivery.

We've done this with success, in part, through initiatives advanced in the Comprehensive Medicaid Waiver. For example: Managed Long Term Services and Supports is providing a more inclusive and holistic method of providing long-term care services for seniors and people with

disabilities. At the end of 2016, 43.2 percent of the long term care population was receiving home and community based care and the nursing facility population was down by almost 1,000; the Interim Managing Entity, or IME, the state's single point of entry to addiction treatment services for uninsured or Medicaid members has issued 23,433 authorizations for treatment, 78% of which were for NJ FamilyCare funded services.

Another strategy the department has found effective in augmenting its reach is by partnering in creative ways with other state agencies to provide essential services.

We know that stable housing is a challenge that many of the department's consumers face, whether they're low-income or have a disability. That's why our Division of Family Development has forged an agreement with the Department of Community Affairs to provide permanent housing vouchers, using DHS funding, to people in receipt of Supplemental Security Income, or SSI.

Furthering the effort around housing stability, in our Comprehensive Medicaid Waiver renewal, which was submitted to the federal Centers for Medicare and Medicaid Services in January, New Jersey requested to explore the use of the High-Fidelity Housing First (HFHF) model to meet the needs of individuals enrolled in Medicaid who are at-risk for homelessness or who are considered to be chronically homeless. Broadly defined, it includes a range of flexible services that support individuals and families, such as Housing Screening, Housing Transition and Housing Tenancy Sustaining Assistance.

Building on our partnerships, as announced during Governor Christie's State of the State Address last year, the Department of Corrections recently celebrated the opening of Mid-State Correctional Facility as the state's first dedicated drug-treatment prison. Human Services has provided licensing for DOC and appreciates its work as a continued ally in fighting the disease of drug addiction.

Moving forward, we'll be collaborating more with our sister state agencies – in fact, working with our sister departments of Children and Families, Education, Health, and Labor, we applied for and received a technical assistance grant from the National Governor's Association and CLASP to advance Two-Gen strategies. Working with the Department of Labor, we will be closely examining the provision of employment services to people in receipt of TANF, GA and SNAP. In order to streamline licensing and services for behavioral health providers and consumers, something that's been a challenge to advancing integrated care, we have been partnering with the Department of Health and Seton Hall Law School.

There's a lot of great work happening in state government for NJ's residents and DHS is proud to be a contributor in that regard. Thank you for giving me an opportunity to present this overview. I am happy to take your questions.