

COMMISSIONER CAROLE JOHNSON
NEW JERSEY DEPARTMENT OF HUMAN SERVICES
ASSEMBLY BUDGET COMMITTEE TESTIMONY
MAY 14, 2018

Good morning Chairwoman Pintor Marin, Vice Chairman Burzichelli, and Members of the Committee.

Thank you for the opportunity to testify today to discuss the Governor's Proposed Budget for the Department of Human Services for State Fiscal Year 2019. I share Governor Murphy's commitment to a stronger and fairer New Jersey and his recognition of the role of the Department's programs and services in achieving that goal.

I would like to introduce my colleagues, Deputy Commissioner Sarah Adelman, Deputy Commissioner Elisa Neira, and Chief Fiscal Officer Brian Francz. In addition, I would like to acknowledge our directors present today who operate our many divisions.

As you know, our Department is about building health security, food security, and economic security for all New Jerseyans – including those struggling to afford health care, pay their grocery bills, and support their aging parents. It provides the supports and services that allow intellectually and developmentally disabled adults to live their lives to the fullest, connects people with disabilities to supportive services, and helps older New Jerseyans remain healthy and engaged in their communities. We also provide vital supports and services to families and children to help them thrive.

We recognize that we are in a difficult budget environment and appreciate your support of the services we provide that meet the critical needs of New Jersey families. We look forward to working with you to implement our Budget.

DEPARTMENT OVERVIEW

Our nearly \$6 billion proposed State Fiscal Year 2019 budget leverages over \$10 billion in federal and \$1.7 billion in dedicated resources for a total Department budget of almost \$18 billion. These investments will allow us to:

- **Meet the health care needs of low-income New Jerseyans** by providing NJ FamilyCare coverage to more than 1.7 million New Jerseyans, including one-third of the children in our State and more than 550,000 individuals who gained coverage through the Affordable Care Act Medicaid expansion;
- **Combat food insecurity** by providing food assistance through the Supplemental Nutrition Assistance Program or SNAP to more than 800,000 New Jerseyans on average each month;
- **Help families succeed at work** by providing support for more than 59,000 New Jersey children to receive child care on average each month;
- **Give New Jerseyans with developmental disabilities the opportunity to thrive** by providing supports and services such as community-based residential care, day programs, and in-home services to over 25,000 New Jersey adults with intellectual and developmental disabilities;
- **Ensure a safety net for individuals with low-incomes** by providing income assistance to New Jerseyans in need, including nearly 50,000 individuals per month on average through the Temporary Assistance to Needy Families Program and the General Assistance Program;
- **Help older New Jerseyans and those with disabilities remain in their homes and communities** by providing more than 3 million home delivered meals, more than 400,000 transportation services, and assistance with the costs of pharmaceuticals for older and disabled New Jerseyans; and,
- **Support New Jerseyans who are deaf, hard of hearing, blind or visually impaired across the lifespan** by providing services, supports and equipment such as adaptive technology, vocational rehabilitation and employment services.

To implement these programs, we work with County and Municipal Welfare Agencies, service recipients, families, advocates, researchers, health care and social service providers, plans, and other numerous agencies throughout the State.

THE GOVERNOR'S 2019 BUDGET

The Governor's Budget takes important steps to strengthen the essential services provided by the Department of Human Services.

Modernizing Medicaid

The Governor's plan includes a specific emphasis on updating and modernizing New Jersey's Medicaid Program. Our goal is to run a strong and efficient Medicaid program while removing unnecessary barriers to care. With that focus, the Budget includes new and expanded benefits such as the following:

- **New Autism Spectrum Disorder benefits:** The Budget includes \$17 million in State and federal funds to create new Autism Spectrum Disorder benefits in NJ FamilyCare. To date, New Jersey has only covered select autism-related services for a small population of less than 200 children in a pilot program. It is estimated over 10,000 youth have an Autism Spectrum Disorder diagnosis, and the budget would give young people with Medicaid coverage access to appropriate screening and treatment.
- **Expanded family planning benefits:** The Budget provides over \$11 million in State and federal funds to expand family planning services provided through NJ FamilyCare to residents with incomes up to 200% of the federal poverty level. This provision implements legislation signed by the Governor and championed by many members of this Committee, including Chairwoman Pintor Marin. The Governor also announced and the Budget implements Medicaid coverage for post-partum coverage of long-acting reversible contraception, allowing New Jersey to remove a restriction limiting access to one of the most effective forms of contraception.
- **New diabetes benefits:** The Budget assumes implementation of legislation adding new Medicaid coverage of diabetes self-management education and training, medical nutrition therapy, the National Diabetes Prevention Program, and supplies and equipment to the Medicaid program. These services and programs are designed to better prevent, treat and manage one of the leading chronic diseases in our State.
- **Expanded Hepatitis C treatment:** The Budget includes coverage of curative Hepatitis C drugs for all Medicaid enrollees with a Hepatitis C diagnosis. Today, NJ Medicaid restricts who is eligible for treatment and

requires individuals to demonstrate liver damage before covering these drugs. New Jersey has lagged behind neighboring states, which provide more comprehensive access to Hepatitis C treatment for Medicaid enrollees.

- **Treating opioid use disorder:** The NJ FamilyCare budget also assumes implementation of a waiver that will offer a more complete Medicaid service package to assist those who are battling opioid and other substance use disorders. Implementation will expand Medicaid coverage of peer services and case management services for individuals with a substance use disorder and include coverage for detox, short-term and long-term residential rehabilitation services. The opioid epidemic has claimed far too many lives in our State, and this waiver in combination with the Governor’s proposed new \$100 million investment in combatting the epidemic, is part of our “all hands on deck” approach to turning the tide of this crisis.

Supporting Working Families

In his Budget, Governor Murphy makes working families a priority, including through the creation of a new child and dependent care tax credit. For lower income families that depend on the Department’s child care subsidy program, the Budget invests in strengthening and promoting quality in these child care settings by continuing the \$15 million initiative the Department launched this year to improve rates and incentivize quality.

The Governor’s comprehensive focus on supporting working families also includes increasing the Earned Income Tax Credit from 35 percent to 40 percent of the federal benefit over three years, ensuring that New Jersey’s credit remains among the highest in the nation. The fiscal 2019 budget provides an additional \$27.2 million to the program, funded in part by the Temporary Assistance for Needy Families block grant administered by the Department. With this added investment, 510,000 taxpayers would receive an estimated benefit of \$986, an increase of \$53. By fiscal 2021, the average estimated benefit will be over \$1,160.

In addition, the Governor recognizes the important role of food assistance in supporting working families trying to gain their financial footing. The Budget includes funding to leverage available federal resources to provide over 140,000 New Jersey households with \$86 million more in food assistance from the Supplemental Nutrition Assistance Program (SNAP).

Helping New Jerseyans with Disabilities to Thrive

The Governor's budget demonstrates this Administration's strong commitment to helping individuals with disabilities live as independently as possible. The Budget continues our efforts to improve the services and supports for adults with intellectual and developmental disabilities (I/DD) by better leveraging federal matching funds for the State's investments. The Governor's plan also proposes an additional \$40 million in State and federal funding to support home and community based services for the I/DD population that help individuals develop personal, social and work skills.

We also support maximum independence and participation in the community among older New Jerseyans and individuals with physical disabilities through our disability services and aging programs. In addition, our programs that support those who are blind, visually impaired, deaf or hard of hearing are tremendous resources to these communities throughout the State.

CONCLUSION

The Governor's commitment to a stronger and fairer New Jersey includes offering opportunity and a helping hand to the most vulnerable individuals and families among us. His budget for the Department of Human Services delivers on that commitment by strengthening the tools, programs and services that are vital to so many New Jersey families.

Thank you for your support for the Department of Human Services, and I look forward to working with you on continuing to help New Jersey families thrive.

I look forward to your questions.