

Senate Health, Human Services and Senior Citizens Committee Testimony
Health and Senior Services Commissioner
Dr. Poonam Alaigh
July 19, 2010

Good afternoon Chairwoman Weinberg and Distinguished members of the Senate Health, Human Services and Senior Citizens Committee. Thank you for inviting me to appear before you today to discuss the Department's budget for reproductive health services.

On behalf of Gov. Chris Christie and the Department, I also want to take this opportunity to thank the Legislature—especially the members of this committee—for your support of our state's new budget.

As we all know, New Jersey continues to face great fiscal challenges. This budget crisis coupled with a severe ongoing recession, required difficult funding decisions throughout state government including the Department of Health and Senior Services.

Although we have been faced with tough and painful choices, we have remained committed to ensuring access to care for our residents. I would like to go over some of the ways we've been able to strengthen the health care safety net for our state's most vulnerable despite fiscal challenges.

Seniors

One of them is in the area of prescription assistance for our seniors. Governor Christie demonstrated his commitment to our seniors by not only finding funding alternatives to restore assistance to pre-fiscal year 2011 levels, but also to enhance the program by lowering co-payments for generic medications from \$6 to \$5.

In this morning's Daily Record, the AARP thanked Gov. Christie not only for maintaining but for also improving the nation's strongest state pharmaceutical program for low-income elderly and disabled.

In fact, the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program is one of only 17 state discount drug programs for seniors in the entire country.

Although initially it looked as if services would have to be reduced to this population, funding was made available due to increases in rebates from drug manufacturers, greater use of generics, expanded eligibility in Medicare Part D's Low Income Subsidy program and manufacturer discounts in Medicare part D "donut hole."

Despite the great fiscal challenges we face, we've also made great strides in expanding home and community-based support for the state's senior population. This budget includes \$14 million for these programs, which provide a cost-effective alternative to nursing homes. This will enable our seniors to have more options so they can remain independent and live with dignity in their communities.

Hospital Support

Governor Christie's budget demonstrates that providing health care for the uninsured is a priority. The Governor has provided hospitals with increased funding to serve our most vulnerable residents, the uninsured.

Hospitals will receive a 10 percent or \$60 million increase—totaling \$665 million. This increase was achieved by modifying the cap on two pre-existing assessments in order to maximize federal matching dollars. This budget increases the reimbursement floor from 5 to 15 cents on the dollar. This makes the formula more fair for those hospitals that, in the past, received the most limited amount of reimbursement. This year's budget maximizes federal matching dollars, creates a more equitable distribution of funds to hospitals, protects safety net hospitals and responsibly manages the financial risk to them by reducing the year-to-year funding changes.

In addition, the budget also includes \$30 million for the health care stabilization program to assist facilities in maintaining access to care in their communities.

Federally Qualified Health Centers

We've also been able to preserve funding to our community health centers that provide essential care to the medically underserved. This year's budget maintains \$40 million in funding for our Federally Qualified Health Centers. In addition to these state funds, FQHCs also continue to receive approximately \$33 million in federal funding through the Bureau of Primary Health Care to support safety net services.

Over the last five years, working together with the Legislature--New Jersey has invested \$50 million in state and federal funds to support and further strengthen the safety net in our state.

FQHCs provide a comprehensive array of preventive and primary care services such as chronic disease management and OB/GYN services including preconception and prenatal care, prescriptions for contraception, clinical breast exams, referrals for mammography, Pap smears and HIV and STD screenings.

Cancer Screenings

We've been able to maintain key public health programs such as screening and detecting early cancers—especially for low-income minority and multicultural populations. More than \$6 million was maintained in the state budget, coupled with nearly \$3 million in federal funding for a total of \$9 million to support cancer screenings services for breast, cervical, colorectal and prostate cancers. This funding will strengthen the New Jersey Cancer Education and Early Detection (CEED) program, which provides more than 20,000 residents with services to detect cancer, including mammograms.

Reproductive Health Services

However, the enormity of the budget deficit forced us to make difficult and painful decisions. These were not decisions we wanted to make. Unfortunately, this is simply the fiscal reality we had to confront.

Although state funding has been reduced for reproductive health services, women will continue to have access to care through family planning agencies, primary care centers, such as the Federally Qualified Health Centers, hospital outpatient clinics, private physician offices and local health departments.

Nearly 95,000 women will still receive care through 40 family planning sites in New Jersey and federal funding will be used to maintain vital preventive and reproductive health care services in our state. The Department will allocate more than \$12 million in state and federal funds including Title X dollars strategically to support hospitals, Federally Qualified Health Centers, community based ambulatory care providers and local health departments to maintain a network of reproductive and family health services in every county in New Jersey.

Additionally, there are 20 federally designated comprehensive primary care centers in New Jersey, with over 90 sites for low-income people that provide dental, pediatrics and primary health care to both women and men. New Jersey will spend \$40 million this year to reimburse federally qualified health centers for providing comprehensive health care to those New Jerseyans who are uninsured. Since 2004, the state has invested approximately \$25 million to expand community health centers. Additionally, as a result of the health care reform legislation, additional federal funding is expected later this year to expand FQHC services.

As I mentioned earlier, the state will continue to ensure that women have access to cancer screenings. As part of this year's budget, we are investing more than \$9 million in the New Jersey CEED program, which will provide critical health screenings, such as Pap smears, mammograms and follow-up diagnostic testing. This program provides critical preventive services to keep women healthy.

We are committed to using funding resources available to the Department strategically so we continue to provide access to comprehensive health care services for the women of

New Jersey. The reality of today is that these are difficult budgetary times and reductions to programs and services had to be made to ensure the state's fiscal health.

As a physician, a woman and a former board member of the Women's Health and Counseling Center, I can tell you that we are doing everything we can to ensure these important preventive health services are provided to as many women as possible in various settings across our state.

I truly appreciate the committee's passion on this issue and I want to thank you for this opportunity to testify before you. Thank you.