

### ***Department of Human Services FY'12 Budget Testimony***

Good morning. I thank you for the opportunity to testify before you today regarding the Department of Human Services proposed Fiscal Year 12 budget. This is my fourth year serving as Commissioner of the Department and it continues to be my deep honor to serve in this capacity.

It was true last year and it continues to be true this year, we need to ensure that we're making the very best use of our limited resources while the economic downturn still persists. And we take very seriously, in good times or in bad, our responsibility as public servants entrusted with the appropriate management of the public's resources.

Managing those resources is not without controversy among the many populations we serve; indeed, there are no easy changes and no easy reductions. As we look at rebalancing and creating cost effective service delivery, however, we are often presented with decisions that we can't afford not to make.

For example, this year's budget proposes to eliminate 20 ten-month instructor positions from the Commission for the Blind and Visually Impaired. The public budget hearings drew many who testified against what is essentially a realignment of resources. We'll likely discuss this reduction in greater detail - and we welcome the opportunity to share the facts that informed this decision - specifically that the CBVI caseload has declined by approximately 28% since 2005; that this downward trend has persisted over a period of six years with the greatest decrease (17%) occurring between last year to this year; and that the instructor reduction is commensurate to the reduced caseload. What we propose is a cost effective utilization of our resources; thankfully, one that we believe will preserve direct programming for students and others served by the Commission.

This year's budget also calls for the closure of Vineland Developmental Center over the next two years. You will recall that this current budget called for a consolidation of Vineland's West Campus by June 2011 - and we are on target for that consolidation. The complete closure is scheduled to be realized by June 2013. I understand full well how controversial this issue is. Over the last several years, we have seen that many more families prefer in-home services to support their family members with developmental disabilities, and expanding community placement opportunities has reduced our State developmental centers' census by 1,200 since 1998; 11% just since FY2009. As a result, the Department must rebalance resources and reconfigure the existing system of care to individuals with developmental disabilities. Further, the United States' Supreme Court *Olmstead* decision requires that states provide community living options and other supports to individuals with disabilities who are capable and willing to live in a less restrictive environment.

We recognize that closure is a very emotional issue for families, caregivers, and developmental center staff. It is also an economic issue for the region. In the end, however, our single most important consideration must be the individuals that we serve. The proposed closure of Vineland Developmental Center advances our compliance with the US Supreme Court's *Olmstead* decision, the cost effective delivery of quality services and supports to people with developmental disabilities who will benefit from a life in the community – and a realization of their civil right to do so. New Jersey hasn't closed a developmental center since 1998 and, with such a stark reduction in our census, we can't afford not to advance this proposal from a civil rights, resource management and fiscal perspective.

Finally, Medicaid - as the single state agency responsible for Medicaid, the Department of Human Services has worked closely with the Governor, the Department of Health & Senior Services – and with impacted stakeholder groups to develop an outline for effective, long-term, cost containing changes to Medicaid. These changes are presented in the budget as both specific programmatic modifications and as a comprehensive plan for reform.

Last week, we conducted initial briefings for the Legislative leadership and stakeholders regarding New Jersey's proposed Medicaid Comprehensive Waiver. These outreach efforts are the first in a series of briefings that we plan to conduct to share information as it is finalized, and to receive input from the Legislature and from the Medicaid stakeholder community. Ongoing dialogue will help to best inform the proposed waiver allowing New Jersey to continue to meet the needs of those who rely on the safety-net of the Medicaid program.

In addition to the comprehensive waiver, we have proposed several immediate adjustments to our Medicaid program based upon our experience and the results of our efforts with managed care over the past several years. We have been moving toward coordinated and managed care since the mid-1990s. While we want to be innovative, we are designing major system shifts deliberately and carefully, and we are not proposing anything that has not been operational in other states.

You all know our department well. That it's the largest and serves the most vulnerable of New Jersey's residents informs every decision we recommend during the budget process. I work alongside incredibly talented, professional and nationally recognized leaders – and we balance carefully our decisions regarding those with developmental disabilities, mental health and addictions consumers, those with physical disabilities, those who are economically vulnerable, those who rely upon Medicaid for access to quality healthcare, those who are blind and visually impaired, and those who are deaf and hard of hearing.

This is the toughest of budgets for all of us – in New Jersey and across the country. I welcome your partnership and factual examination of the choices before us to achieve the best possible outcomes for those who are counting on us.

I thank you again for the opportunity to testify before you today.