



Health Professionals and Allied Employees

Debbie White, RN, BSN – HPAE President
Barbara Rosen, RN, BSN – HPAE First Vice-President
Alexis Rean-Walker, BS – HPAE Secretary-Treasurer
Chris Whalen – HPAE Executive Director

**Testimony of Debbie White, RN
President, HPAE
Senate Budget & Appropriations Committee
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Thank you Chairman Sarlo and members of the Senate Budget & Appropriations Committee for the opportunity to make specific requests for the FY2023 budget. My name is Debbie White. I am the President of Health Professionals and Allied Employees – the state's largest union of healthcare workers – representing 14,000 nurses and health care professionals in both private and public health care institutions. I worked as an RN for 27 years prior to my current position

HPAE Priorities for the New Jersey FY 2023 Budget

Health Professionals and Allied Employees urges the Legislature to invest in New Jersey's public hospital and State oversight of New Jersey's healthcare systems. This includes greater investment in University Hospital, New Jersey's sole public hospital and the New Jersey Department of Health, the entity which provides enforcement and oversight of patient safety laws and healthcare facilities.

We also include requests for greater funding for public health programs treating the health and safety of children, Child Health Units; mental health for underserved populations, University Behavioral Health Care; healthcare for prison populations, University Correctional Healthcare; and cancer treatment and research at the Cancer Institute of New Jersey.

We have entered our third year facing the COVID-19 pandemic. The State must face the reality that, for a myriad of reasons, this disease is not going away. New Jersey's public health infrastructure needs to be upgraded in order to meet the demand of living with COVID-19 as an endemic disease and to also prepare for any future pandemics. That means the grievous neglect of the New Jersey Department of Health and University Hospital needs to be a thing of the past. The Department of Health must become a priority with a budget to match. University Hospital, which is owned by the State of New Jersey, needs to be fully funded in order to maintain its position the State consistently expects it to rise to in crises: as the linchpin in a robust public health infrastructure.

The State must live up to its responsibility to New Jersey residents who are still suffering so much in the current pandemic by providing a strong public health infrastructure. Given the State is boasting a \$10.1 billion surplus,¹ and an additional \$6.24 billion in Federal relief funds,² providing appropriate funding for the institutions and programs stated below should be a priority for the State Legislature.

¹ Samantha Marcus. *How N.J.'s budget went from rags to riches, just in time for Murphy's re-election year*. NJ Advance Media, 13 June 2021, <https://www.nj.com/politics/2021/06/how-njs-budget-went-from-rags-to-riches-just-in-time-for-murphys-re-election-year.html>

² John Reitmeyer. *What's the deal with NJ's unspent COVID-19 relief?*. NJ Spotlight News, 12 October 2021, <https://www.njspotlightnews.org/2021/10/nj-covid-19-federal-pandemic-relief-funding-american-rescue-plan/>

In Brief:

- **University Hospital**
 - **\$103 million over the Governor's recommendation for the UH line item for infrastructure and improvements, with the following additions:**
 - **\$29.6 million for across the board wage increases for retention and hiring;**
 - **\$6.5 million for hazard pay;**
 - **A beginning bank of \$12 million for quarantine pay for all staff;**
 - **\$20 million increased charity care over FY 2022; and,**
 - **\$2 million increased GME over FY 2022**
 - **\$600 million in ARP State Fiscal Recovery Funds (SFRF) to go toward the building of a new UH campus**
- **University Behavioral Health - \$5 million for hiring more staff and infrastructure improvements**
- **Child Health Units - \$5.5 million for hiring and updating computer system**
- **Cancer Institute of New Jersey - \$5 million for research and treatment**
- **University Correctional Healthcare - \$3 million for hiring more staff and retention**
- **New Jersey Department of Health - \$150 million over Governor's recommendation for pandemic/endemic planning, enforcement/oversight program support, and hiring**

Funding University Hospital:

As the only state-owned public acute-care hospital in New Jersey, and one of three Level One trauma centers in the State, University Hospital (UH) has the monumental task of addressing the public health needs of the greater Newark community.³ University Hospital has proven many times over that it is invaluable to the healthcare landscape of New Jersey. It was the hospital the State turned to during the Ebola crisis, its EMS services assisted during 9/11, it provided much needed services to victims of Hurricane Sandy, and it has served as a COVID-19 pandemic coordination center for north New Jersey.

During our current pandemic, University Hospital has served as a pivot point for offering crucial intelligence to the State Regional Operations and Intelligence Center (ROIC), the Department of Health (DOH), and Gov. Phil Murphy's office. UH used its 24/7 Medical Coordination Center (MCC) to coordinate transfers of patients to the Meadowlands Field Medical Station from northern New Jersey hospitals, as well as assisted with the allocation of critical supplies and resources. As the only State-owned healthcare facility, it has played a crucial role in how New Jersey reacts to a catastrophic pandemic.

It is unrealistic to expect UH to continue to perform miracles in times of crises, while not providing the funding necessary to live up to the expectations of the State. Rather than give \$100 million in Federal relief funds in 2021 to a hospital that is part of the wealthiest healthcare system in the state,⁴ that money should

³ Service area is comprised of approximately 855,000 residents, with the population of Newark making up one-third (282,000).

⁴ Based on the Governor's recommendation and the approval of the Senate Budget & Appropriations Committee for Hackensack University Medical Center, which is part of the Hackensack Meridian Health (HMH) system. As of the end of the fourth quarter of 2021, HMH shows \$558.7 million in excess revenues over expenses. The system is fully capable of spending \$100 million of its own money for pandemic planning. See quarterly statement, <https://emma.msrb.org/IssueView/Details/ER379679> .

have gone to University Hospital for much needed updating to a crumbling infrastructure.⁵ We question why a hospital, that is not even a State approved Level 1 trauma center and also belongs to a healthcare system that has the ability to provide \$100 million of its own profits for pandemic planning, would receive such a huge sum of money. In addition, in FY2022 the State appropriated \$34,400,000⁶ in total to other private hospitals that all had tens of millions in profit at the end of the year. It is a disservice to the only State-owned public hospital and its patients to squander \$134.4 million on financially healthy private hospitals; that money would have better served the State's citizens had it gone to University Hospital.

In FY 2022, the State managed to increase the UH line item by \$37 million to \$81.7 million⁷ after five years of stagnation and budgetary starvation. Against all odds, UH has managed to provide the State of New Jersey with quality health care and play a leadership role during a pandemic. University Hospital has not, and will not, let the State down – but for all its Herculean efforts, UH deserves and needs more. We request that the Legislature significantly increase total line-item funding for University Hospital from \$44.7 million to \$151.1 million. Some of this funding will allow UH to begin to address correcting its antiquated infrastructure, lags in technology, and much needed wage increases for a battered, traumatized staff when retention is critical.

Recently, some of you visited University Hospital and saw first-hand the crumbling infrastructure and the limitations it places on UH's ability to function optimally.⁸ The Emergency Department was built in the 1970's: it would have been impossible to anticipate then the huge volume of patients that now come through its doors 50 years later. There are times when the electrical system fails and the generators need to pick up the slack. There are many instances of interior flooding due to breaking pipes, shutting down whole units. As we all know, water damage creates a host of problems from mold issues to electrical problems. The New Jersey citizens that avail themselves of the services of UH should not have to also confront environmental dangers while seeking healthcare.

Because UH is a Level 1 trauma center and the patients are facing higher rates of co-morbidities, the demands of the staff are incomparable to other community hospitals. For these reasons HPAE requests a salary increase that represents the current rate of inflation as noted by the U.S. Bureau of Labor Statistics, 7.9 percent.⁹ Based upon salary expenditures for UH, this would amount to approximately \$29.6 million for across the board wage increases.

As an additional retention incentive, HPAE requests \$6.5 million to cover hazard pay for all overtime shifts worked by every employee involved in direct COVID-19 patient care and for those that need to work on the campus during the pandemic.

We also request 10 workdays of quarantine pay for employees that test positive for COVID-19 or any other future viral pandemic, beginning with a bank of \$12 million. Healthcare workers have a presumption of illness

⁵ Brent Johnson. *Murphy plans to spend \$700 million on COVID recovery and more. Top Republican blasts the proposal as 'grossly incomplete.'* NJ Advance Media, NJ.com, 26 November 2021, <https://www.nj.com/coronavirus/2021/11/murphy-lays-out-plan-to-spend-252m-in-covid-relief-funds-top-republican-blasts-the-proposal.html>

⁶ Total taken from FY2022 Budget Detail, <https://www.nj.gov/treasury/omb/>

⁷ NJ FY2023 Budget Detail, p. D-342, <https://www.nj.gov/treasury/omb/>

⁸ UH News Service email, 8 March 2022, Vol. 4, No. 7.

⁹ Bureau of Labor Statistics, CPI February 2021 through February 2022, <https://www.bls.gov/news.release/cpi.nr0.htm>

contracted at work and should not have to use precious sick time or vacation time to quarantine due to a workplace-contracted illness.

The majority of UH payers are governmental – Medicare, Medicaid, and health care subsidies make up three-quarters of total patient revenue.¹⁰ In addition, New Jersey has ranked as the fifth highest receiver of Federal Medicaid Disproportionate Share Hospital (DSH) allotments in the country at least since 2008.¹¹ Despite having the fourth highest median household income nationally, New Jersey has a significant portion of residents in need of health care assistance.¹² University Hospital takes care of tens of thousands of patients that are uninsured and underinsured, with 92,052 pre-pandemic visits to the emergency room in 2019 alone.¹³ In the FY2023 budget detail, the state estimates that UH will have 370,000 outpatient and ER visits combined for an average of 1,014 patients per day.¹⁴ It is critical and necessary for the state to meet this patient demand with proper funding for the hospital.

In FY 2022, UH received \$62.7 million in charity care and \$34 million in GME funding.¹⁵ Since more than 75 percent of UH's FY 2021 revenue came from government funding,¹⁶ it is clear the patient population is in great need of healthcare financial assistance. We request an increase in charity care for UH of \$20 million, to bring its subsidy in line with its majority patient demographic: Medicare/Medicaid with lower reimbursement rates than private insurers, underinsured, and uninsured patients. HPAE requests an additional \$2 million for GME for FY 2023, for a total of \$36 million.

In addition to budget appropriations for UH, HPAE requests \$600 million in American Rescue Plan State Fiscal Recovery Funds for the express use of building a new hospital campus for UH. New Jersey, with a population of 9.3 million, only has one public hospital, which is University Hospital. The state of New York with a population of 19.8 million¹⁷ has 24 public hospitals¹⁸ – 11 of those public hospitals are in New York City, which has a population 8.8 million,¹⁹ just 500 thousand less than the state of New Jersey. New Jersey just has one hospital to fund, UH, and it should start with helping to build a new campus and replace the almost fifty year old building that is crumbling around patients and staff.

¹⁰ Extrapolated from University Hospital 2020 Audited Financial Statement, 75.29 percent.

¹¹ Data from Kaiser Family Foundation, Federal Medicaid Disproportionate Share Hospital Allotments, 2008-2020, accessed 15 March 2022, <https://www.kff.org/medicaid/state-indicator/federal-dsh-allotments/?currentTimeframe=0&sortModel=%7B%22colId%22:%22DSH%20Allotment%22,%22sort%22:%22desc%22%7D>

¹² Data from Kaiser Family Foundation, Median Annual Household Income, 2019, accessed 15 March 2022, <https://www.kff.org/other/State-indicator/median-annual-income/?currentTimeframe=0&selectedRows=%7B%22wrapups%22:%7B%22united-States%22:%7B%7D%7D,%22States%22:%7B%22all%22:%7B%7D%7D%7D&sortModel=%7B%22colId%22:%22Median%20Annual%20Household%20Income%22,%22sort%22:%22desc%22%7D>

¹³ New Jersey Department of Health B – 2 Utilization data, 2019. Data for 2020 shows the pandemic led to a 9% decrease in ED visits, with ED having 83,122 visits; 2021 shows a 9.5% decrease from 2020 with 75,247 ED visits – despite this drop due to the pandemic, the ED is still struggling with the number of ED patients due to a severe shortage in staff.

¹⁴ FY2023 Budget Detail, p. D-342, <https://www.nj.gov/treasury/omb/>

¹⁵ SFY 2022 NJ DOH Funding Pool Summary, https://nj.gov/health/hcf/documents/gme/sfy2022_FundingPoolSummary.pdf

¹⁶ Extrapolated from UH's 2020 Audited Financial Statement, 75.29 percent.

¹⁷ U.S. Census, <https://www.census.gov/quickfacts/NY>

¹⁸ Kaiser Family Foundation database, Hospitals by Ownership Type, <https://www.kff.org/other/state-indicator/hospitals-by-ownership/?dataView=1¤tTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>

¹⁹ U.S. Census, <https://www.census.gov/quickfacts/newyorkcitynewyork>

The FY2023 Budget Detail describes UH thus:

University Hospital is a principal teaching hospital of Rutgers Biomedical and Health Sciences, is home to Northern New Jersey's Level 1 Trauma Center, and is a regional resource for specialized services and critical care. Located in Newark, University Hospital is also home to specialty programs such as the Center for Liver Diseases, ***which attracts patients from across the state. University Hospital is a model venue for the integration of education and research to promote breakthrough discoveries in health care.*** Serving as the primary teaching hospital for New Jersey Medical School, New Jersey Dental School and other Newark--based health care programs, ***University Hospital is uniquely positioned to advance extraordinary health care, scientific discoveries and medical education to the City of Newark, the surrounding communities and the state of New Jersey.***²⁰

Taking such pride in University Hospital in the budget book, but not funding it so that UH can attain those goals and fulfill the promise without struggling, is disingenuous at best. As the only public, state-owned hospital, UH could and should set the standard for public health in the nation. Rather than give tens of millions of dollars to private hospital corporations, that money should be going to University Hospital. I am angry, and every person in this chamber should be too, that UH is left to languish in poverty and decay. If your family depended on UH for its healthcare, you would want it to be the best it could be, so please, take our recommendations seriously. New Jersey needs to do better: fund the only hospital the State owns for the citizens that use it and for the dedicated workers who serve those patients. Stop treating UH like an unwanted stepchild, where the State expects so much from it, while giving it so little. It is a moral failure of the State not to fund its only public hospital.

Other Critical Public Health Needs:

Additionally, HPAE requests adequate funding for University Behavioral Healthcare, Child Health Units, Cancer Institute of New Jersey, and University Correctional Healthcare.

A recent state Senate Education Committee panel focused attention on the enormous increase in child depression, anxiety, and suicide.²¹ The pandemic has exacerbated mental health crises to staggering proportions: in February alone, New Jersey's Children's System of Care received a record-high 14,698 calls.²² And children are not alone in facing mental health issues. Everyone has been dealing with trauma and loss since the onset of the pandemic and the state must recognize the crisis by appropriately funding mental health services.

We must point out that University Behavioral Healthcare Centers are operating on the same appropriations as the 2013 budget.²³ More shockingly, the Child Health Units are operating on little more than one-third of the

²⁰ NJ FY2023 Budget Detail, emphasis ours, p. D-342, <https://www.nj.gov/treasury/omb/>

²¹ Adam Clark. 'We can't wait.' N.J. must tackle surging mental health crisis now, experts warn. NJ Advance Media for NJ.com, 14 March 2022, https://www.nj.com/education/2022/03/we-cant-wait-nj-must-tackle-surging-mental-health-crisis-now-experts-warn.html?e=86bddfa90be1574cd46034e59d201c3e&utm_source=Sailthru&utm_medium=email&utm_campaign=Newsletter_politics%202022-03-15&utm_term=Newsletter_politics

²² *Supra.*

²³ Department Recommendations, FY 2014, p. D-175, Adjusted 2013 appropriations.

amount of appropriations as they received in 2013.²⁴ Both of these funding situations are reprehensible and an acute injustice to the citizens of New Jersey, especially given the populations served are some of our most vulnerable, the children of this state. The funding amounts we request for these services are minuscule factoring in the rate of inflation over a ten-year period.

University Behavioral Healthcare Centers: In a continuing time of true crisis for our State, we request the Legislature increase funding to these vital mental health resources rather than keeping funding flat as recommended by the FY2023 Budget.²⁵ New Jerseyans are struggling under the weight of a never-ending pandemic, continued unemployment for many, and an uptick in opioid addiction – these circumstances place a greater demand on mental health services, and it would be a huge injustice to New Jersey residents to reduce appropriations for UBHC.

UBHC has been doubly impacted by cuts in revenue in two ways: the change from block grant funding to fee-for-service for non-Medicaid eligible clients and services, a change made in 2017; and lower reimbursement rates due to conducting telehealth appointments during the pandemic. The cuts in revenue are forcing counseling staff to work 12-13 hours with client appointments separated by mere seconds. This is not a healthy nor sustainable work model: HPAE requests an additional \$5 million in order to hire 24 more habilitation counselors and 16 Mental Health Clinicians, shortening the almost 65 hour work week of the current staff. This will aid in making it more sustainable to maintain staff and infrastructure.

Child Health Units: Although reinstating \$2 million in FY 2022 of an FY 2021 reduction of \$4.3 million, the Child Health Units are struggling. Despite a recent slight reduction in caseloads, staff and client care are suffering under reduced staffing. The FY2023 budget detail offers no increase from FY2022.²⁶

The functions of the Child Health Units are critical to the mental health and physical well-being of some of New Jersey's most vulnerable residents. The loss of staff in this unit during a pandemic has been particularly difficult for the clients it serves, young children who face so many challenges already. Provide the funding to make it possible for the staff at the Child Health Unit to meet the demand for care.

HPAE requests the Legislature appropriate an additional \$5 million for CHU to be allocated for increasing staff assistants by 44 hires; this amount will cover salaries and the cost of fringe benefits. An additional \$500 thousand will be needed to replace and update antiquated computer systems.

Cancer Institute of New Jersey: Accessing cancer care is challenging under any circumstances, but during a pandemic makes it even more difficult. The CINJ is vital to cancer research and treatment and the State must maintain its funding. Additionally, the researchers at CINJ have been instrumental in helping with COVID-19 research as well, making their contributions even more valuable to the health of New Jerseyans. We recommend increasing funding to the Institute by \$5 million.

University Correctional Healthcare: University Correctional Healthcare suffers greatly from understaffing of nurses. While we understand that there may be some difficulty filling nurse positions, relying on mandatory overtime for staff is not a fiscally responsible way to deal with staff shortages. This type of policy only further

²⁴ Department Recommendations, FY 2014, p. D-40, Adjusted 2013 appropriations.

²⁵ NJ FY2023 Budget Detail, p. D-177, <https://www.nj.gov/treasury/omb/>

²⁶ NJ FY2023 Budget Detail, p. D-38, <https://www.nj.gov/treasury/omb/>

burns out the current staff, causing them to fall ill or quit when there is no hope of relief in easing workloads. And spending for overtime is costly and inefficient. UCH needs to be more aggressive in its recruitment for nursing staff and fill current vacancies, as well as increase staff beyond the current vacancies. HPAE requests \$3 million for new nurse hires.

NJ DOH: Pandemic/Endemic planning; Enforcement of patient safety laws and facility oversight

The need for increased funding to the NJ DOH is two-fold: pandemic/endemic planning funding, and for enforcement of facility oversight and patient safety laws.

As front-line healthcare workers, we cannot overstate the need for better enforcement of patient safety laws. Nurses and health professionals rely on the Department of Health to uphold its mission of ensuring access to safe, quality healthcare for all New Jerseyans.

Due to reduced funding, the DOH does not have the ability to consistently monitor facilities and enforce conditions placed on sales or mergers that would protect patients and the community. It is critical the FY 2023 appropriations make it possible for the DOH to reinstate transparency and a pro-active enforcement agenda for the benefit of all New Jerseyans. We request the Legislature to restore funding that will allow the Department to increase staffing in order to conduct thorough inspections, monitor hospital finances, and to enforce health and safety laws effectively.

In addition, it is crucial that DOH have funding for pandemic/endemic planning. The past two years has wrought havoc to the State's healthcare infrastructure, and we now understand all too well what the deficit of pandemic planning means to healthcare and New Jerseyans. Let us learn from our lack of foresight rather than repeating the past.

In FY2022, NJ DOH had appropriations of \$1.186 billion.²⁷ The Governor's current recommendation is \$87 million less than FY2022, \$1.1 billion.²⁸ DOH needs so much more to do the work protecting and helping New Jersey citizens to stay safe and get the public health care they need. Given the DOH estimate for raising revenue is \$1.34 billion, there should be room to allot more of DOH revenue to DOH.²⁹

While we laud the Governors recommendation for suspending application and licensing fees for healthcare providers in 2022, we request that the suspension of these fees also extends to mental health case workers and social workers. We ask the Legislature to make this adjustment even though it will further reduce the DOH revenue: it will bring some much needed relief to these professionals.

It is fundamental for NJ DOH to be the advocate for our communities and for taxpayers when hospitals are sold, merged, or recommended to close, or when hospitals desperately need regular department inspections and enforcement of regulations. In these challenging times for health care, New Jersey needs and deserves a Department that will be a real advocate for its patients, communities, and workforce. Despite a loss in revenue due to the suspension of licensing and application fees for health professionals, DOH will still bring in

²⁷ NJ State Budget Detail FY2023, p. D-144, <https://www.nj.gov/treasury/omb/>

²⁸ *Supra*.

²⁹ NJ State Budget Summary FY2023, pp. 77, 84, and 92.

\$340 million more than what the Governor has recommended for appropriations. We request the Department of Health receive an additional allocation of less than half that amount, \$150 million, so it may carry out its mission to better serve the citizens of New Jersey.

Thank you.

