

**Statement of Lowell Arye, Executive Director
before the DHS Community Budget Forum-FY 2008
October 19, 2006**

Thank you for the opportunity to testify. My name is Lowell Arye and I am the Executive Director of the Alliance for the Betterment of Citizens with Disabilities (ABCD). ABCD represents 15 member agencies which provide a broad array of community-based services to more than 9,000 individuals with developmental disabilities and their families.

With respect to community service providers, the state must provide annual mandatory growth increases in order to ensure that providers can continue to make services available to consumers and are able to recruit and retain qualified staff. Currently, community-based service providers are not receiving the mandatory growth increases that State Departments and employees receive. Many community service providers are charities which are using their fundraising dollars to supplement money, supply services, and pay employees, rather than using those funds for new programs and services that are not funded by the Department. Community service providers have seen their workers compensation, health insurance and other costs increase significantly. DHS and the state should be using the Consumer Price Index for the urban wage workers (CPI-U) in the Northeast Region to determine growth increases for community service providers. This year's CPI-U for the Northeast region is 4.1%.

The state must actively pursue further Community Care Waiver funding from the federal government. At this time, we are one of the fourteen states that does not receive federal funding for family support. New Jersey must continue to work to maximize its federal dollars. When the state does receive its federal funds, we need to make sure that those funds are reinvested into the Division of Developmental Disabilities (DDD) community services. Last year's Budget in Brief described \$194 million of retroactive federal funding that was primarily from the Community Care Waiver. More than \$100 million of those retroactive funds were used to supplant State dollars to pay for the Developmental Centers. Instead of using the retroactive funds from a Home and Community-based Services Waiver for the State share of the Developmental Centers, these funds should be re-invested in DDD community services. Any additional funds from the federal government must be re-invested in DDD community services.

Under a new law signed by Governor Corzine, a plan must be put into place to determine what services, supports, and housing are needed to move people out of the Developmental Centers. Under the FY' 07 budget, \$50 million was included to move 180 individuals out over the next three years. I will say, this is a start, albeit not a terribly good one, and we need to ensure that

services are in place for these individuals. New Jersey needs to develop a plan and then implement it to move the individuals out of the Developmental Centers. In addition, there are more than 7900 individuals on the residential waiting list, with 3700 of them on the Priority List. We need to move forward initiatives to take people off of the residential waiting list. Most of these individuals are age 40 and above. Individuals with developmental disabilities tend to experience early onset of aging. Their parents who are age 55 and older have been caregivers for these individuals all their lives. We need to ensure that for families who wish their adult children to live independently from them placements are available. We also need to ensure that there are new funds for Family Support. Family Support has, in effect, been flat-lined for the last several years. It is important to increase the funding for this important program.

It is imperative that we maintain the comprehensive breadth and expansiveness of New Jersey's Medicaid program. Last year there were discussions about cutting optional services for Medicaid beneficiaries. These optional services, such as dental care, therapies, personal care assistance and other important supports are not optional for individuals with significant multiple and physical developmental disabilities. We are requesting that you do not include proposals for co-pays for Medicaid services. Every national research study demonstrates that co-pays impose significant barriers to services for Medicaid beneficiaries. Inclusion of co-pays in the budget is a waste of time since advocates must fight and defeat this proposal every year during the budget process rather than spending our time on other issues. .

Finally, I would like to refer you to the Deficit Reduction Act and mention the Medicaid buy-in program for children with disabilities. Currently, New Jersey already participates in a buy-in program under Medicaid for working individuals with disabilities. We should also be participating in this similar Medicaid buy-in for children with significant healthcare needs. The Medicaid buy-in would provide open-ended entitlements to essential care and services for children with disabilities that they do not receive presently under NJ Family Care.