

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

ADVANCE COPY

SENATE BILL NO. 2139
(First Reprint)
(Corrected Copy)

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Senate Bill No. 2139 (First Reprint) (Corrected Copy) without my approval.

Senate Bill No. 2139 (First Reprint) (Corrected Copy) appropriates \$7,453,000 million for women's health and family planning services. The bill seeks to accomplish this funding by de-appropriating \$7,453,000 million from the State Employees' Prescription Drug Program in the Fiscal Year 2011 Budget. The legislation also directs the Department of Human Services to submit a State Plan Amendment to the federal government to expand Medicaid coverage for family planning services to individuals whose income is up to 200% of the federal poverty level.

The State of New Jersey continues to confront unprecedented financial difficulties. Due to the economic crisis, my Administration was forced to make tough decisions to fill an \$11 billion budget gap. Unfortunately, as a result, many worthy programs were cut or eliminated. Grants to organizations providing this part of family planning services were one of the many programs eliminated from the Fiscal Year 2011 Budget.

I remain committed to giving all New Jersey citizens access to quality healthcare. Fortunately, despite the economic crisis, my Administration has been able to maintain funding for New Jersey women to continue to have access to comprehensive health care services.

Citizens of New Jersey have access to comprehensive reproductive health care services through Federally Qualified Health Centers (FQHCs) and family planning sites. Reproductive health services will continue to be available in each of New

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Jersey's 21 counties, including Planned Parenthood clinics, local health department clinics, free standing clinics and hospital-based clinics. Nearly 95,000 women will still receive care through these family planning sites.

Up to an additional 40,000 women may seek services at the Federally Qualified Health Clinics (FQHCs) and Urban Hospital Clinics. There are 20 federally designated and funded comprehensive primary care centers in New Jersey with over 90 sites for low-income people that provide medical and dental care. These FQHCs generally provide the same services as family planning clinics. Under federal law they must provide a full range of general reproductive health care, including clinical breast exams, pap smears, testing for sexually transmitted diseases, HIV screening, and prescriptions for contraception. The Fiscal Year 2011 Budget maintained level funding to reimburse the FQHCs for treating uninsured New Jersey citizens.

In addition to the money dedicated to the FQHCs, my Administration also maintained last year's \$6 million in funding for cancer screenings for low income families through the New Jersey Cancer Education and Early Detection program (NJCEED). NJCEED funds mammograms along with pap smears, colorectal exams and prostate screenings. Most family planning sites do not perform mammograms. Rather, mammograms are done through hospitals or private, free-standing radiological facilities to which women are referred by family planning centers. The mammograms are paid for by one of NJCEED's 21 lead agencies in the state who have agreements with the family planning centers. New Jersey women will still have full access to mammography services.

The Fiscal Year 2011 Budget also provides in excess of \$20 million in funding for health services for low-income families.

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These health services include programs that serve low-income women and children with chronic diseases, birth defects and special health care needs such as cystic fibrosis, childhood lead poisoning screening and environmental inspections of homes with suspected lead hazards, prenatal care, fetal alcohol syndrome, and hemophilia treatment.

In addition, I do not agree with the assertion that Senate Bill No. 2139 is budget neutral. The sponsors of the legislation claim that there is \$7,453,000 available in the State Employees Prescription Drug Program account. Based on the information provided to me by the Treasury Department's Office of Management and Budget, the sponsors' assertion is incorrect. Diverting this amount of money from the State Employees Prescription Drug Program account will put the account below the projected cash requirements established by the State's actuaries to ensure that all claims will be paid. Simply put, taking \$7,453,000 out of the State Employees Prescription Drug Program account will only exacerbate our fiscal problems and require an additional appropriation to ensure that all beneficiary claims are paid. I will not join the Legislature in putting the prescription drug benefits of state employees at risk.

I also am not persuaded that we need legislation to amend the Medicaid State Plan at this time. The sponsors have also failed to acknowledge that the true costs to the State will exceed \$7,453,000, as significant funds will be needed to start up and implement the program.

In these extraordinary economic times, the State does not have additional monies available to provide duplicative funding for family planning centers. However, we are providing access to quality health care to all of the women, children and men of New Jersey and have demonstrated that commitment through the

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funding of the many programs that provide health care to low income families. Unfortunately, in these unprecedented fiscal times, the state simply cannot fund every worthy program.

I cannot approve spending proposed by the Legislature that was not accounted for in the Budget nor envisioned as part of the bipartisan agreement on a spending plan. Even more disconcerting is the fact that this supplemental spending was passed within hours after a comprehensive budget agreement was reached on a bi-partisan basis which did not include this spending. The Fiscal Year 2011 Budget includes a surplus of just one percent. This unbudgeted spending, together with other unbudgeted spending bills the legislature has sent to me, are not paid for and would seriously undermine our Fiscal Year 2011 Budget.

Lastly, it would be patently irresponsible to approve any additional spending at this time when the Office of Legislative Services has issued a report, at the request of some of the supporters of this additional spending, that expresses concern that unrestrained "hands off the wheel" spending could cause the State to face a gap of up to \$10.5 billion next fiscal year. The days of having it both ways are over.

I am pleased to report to the people of New Jersey that the hands are back on the wheel, state spending has been reset to levels that the taxpayers can afford and that supplemental spending that would return to the unchecked spending and out of control budget shortfalls of the past will not make it past the Governor's desk.

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Accordingly, I herewith return Senate Bill No. 2139 (First Reprint) (Corrected Copy) without my approval.

Respectfully,
/s/ Chris Christie
Governor

[seal]

Attest:

/s/ Jeffrey S. Chiesa
Chief Counsel to the Governor