



NJAMHAA

New Jersey Association of Mental
Health and Addiction Agencies, Inc.

75TH
ANNIVERSARY

The
Behavioral Health
BUDGET
MUST REFLECT
NEW JERSEY
Values
& Needs

FY2027

Bridgeway Behavioral Health Services recently celebrated and honored Joanne's life-changing achievements, resulting from her hard work over the previous year and a half. She embraced every opportunity for growth, attending weekly and biweekly therapy sessions, to which she sometimes had to walk – further demonstrating her determination to overcome substance use disorder.

In addition to the clinical treatment, the support from Bridgeway empowered Joanne to end unhealthy habits and relationships, secure stable housing and maintain full-time employment. She also achieved other important milestones, including obtaining her driver's license and purchasing her first car. When she accepted her award, she said, "Thank you to Bridgeway and to Jessica. I wouldn't be here without you today."

Joanne also gives a lot of credit to her dog. "I wouldn't be alive, let alone in recovery, if it weren't for Jamie," she shared.

Joanne recently completed her first semester of college. She is working toward an Associate's degree in Human Services and plans to pursue a degree in Social Work.



As a child, Jasryn turned to drugs because she thought it provided an escape from reality. "In actual reality, I was just running. I ran from my past for as long as I could," she said. When she was 19 and had been using drugs for eight years, she was sentenced to ten years in prison.

"After serving my sentence, I was released, but I was not healed. While I was at Integrity, I bonded with my peers, the staff and the counselors. We worked together daily to promote our healing and help ourselves put the pieces back together. I accepted responsibility and stopped running from all the trauma and the pain that surrounded my addiction," Jasryn shared.

Thanks to Integrity's clinical care and other support, Jasryn graduated from Rutgers University with a Master's degree in Criminal Justice. She now has her own apartment, received her driver's license and bought a vehicle without needing a co-signer.

"I'm living proof that this program works. There is life after addiction. Today, I love who I am, and I love the direction life is taking!" Jasryn said.



The Behavioral Health Budget Must Reflect New Jersey Values and Needs

For decades, many advances in policy and practice have contributed to the growth and development of New Jersey's community-based behavioral healthcare network, and new, creative ideas continue to be introduced that add value to New Jerseyans' quality of life, as well as the state's bottom line. Innovation has improved access to care, including meeting individuals where they are, as well as developed services that improve an individual's chances at success, as defined by each person. Expansion and innovation have included case management, a focus on social determinants of health, peer support and other non-clinical services that have been expanded or implemented.

Unfortunately, the severe workforce crisis that continues to challenge the behavioral health field is having significant impacts on access to all services and the ability to realize the full value of innovative programs. Beds are left vacant because appropriate staff are not available to serve the individuals who are in need of them. Programs close or reduce capacity for lack of staff. And the pipeline of workers has slowed.

In the following pages, you will find budgetary, legislative and policy recommendations to address not only workforce issues, but also gaps in service and the needs of specific programs for their sustainability. You will find inspiring stories shared by individuals who have successfully accessed the services they needed. The triumphs in their lives reflect the great value of community-based behavioral health care and the hope, support and successes gained by New Jersey's children, youth, adults and the friends and families who love them. New Jersey's budget needs to also reflect the value of behavioral health services.



Programs and Staff Are Underpaid

After 15 years (FY2008 to FY2023) without cost-of-living increases to rates and contracts, adult behavioral health programs and some children's programs received 5% increases in both FY2023 and FY2024. These increases, while immensely appreciated and helpful, did not bring reimbursement to levels that fully covered the costs of providing care.

In the subsequent years, skyrocketing wages, utility and insurance costs, and other inflated costs of doing business have left behavioral health organizations extremely financially vulnerable. This past year, providers have had to absorb additional costs to meet the new demands associated with the carve-in of outpatient services to Medicaid managed care. With significant cuts to Medicaid on the horizon, many programs will be severely negatively impacted.

Current budgets do not allow behavioral healthcare providers to pay competitive wages, which leads to higher turnover and vacancy rates, as well as increased hiring and training costs, all further

negatively impacting the bottom line. Rates and contracts also do not permit organizations to invest in their infrastructure, whether to support further integrating their services or to simply ensure safe fleets and facilities. The State's fiscal pressures threaten not only individual businesses, but also statewide programs. Adequate, reliable funding must be provided to strengthen and expand existing services and bring new services online.

If New Jersey truly values accessible, timely, appropriate behavioral health services for all its residents, its budget and policies must reflect what is needed. The recommendations in the following pages outline how that can be achieved.



RECOMMENDATIONS



Provide **\$54 million** in state funds **to increase rates and contracts by 10%** (garnering a federal match of \$21 million).



Pass legislation to ensure the State considers a cost-of-living adjustment for human services' rates and contracts each year.



Pass S3802/A4265 to set Medicaid rates for mental health services equal to Medicare rates for the same services.

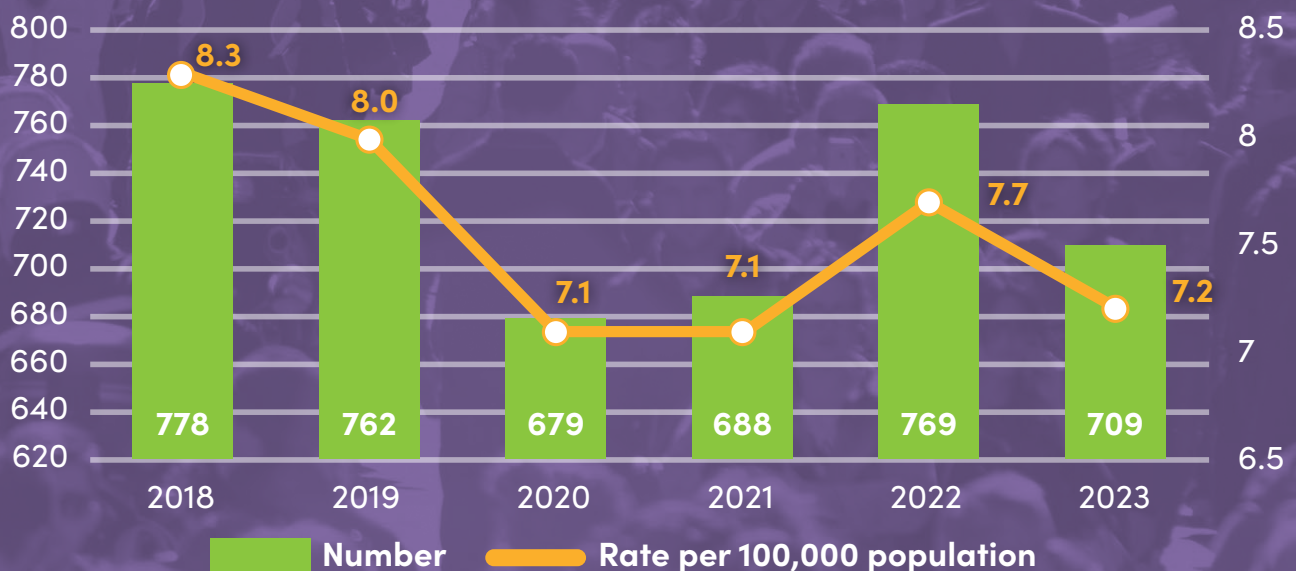
Brian had been living in his brother's guest room and was extremely depressed. When he was not working, he was alone, drinking and using drugs, which often led to him blacking out and becoming suicidal. Maryville Integrated Care helped change all that by providing effective treatment for both depression and substance use, which enabled Brian to develop coping skills and hope for his future.

Two and a half years later, Brian remains sober, is a certified nursing assistant and aims to become a nurse. He is also engaged and has a daughter, enjoying restored family relationships and living in a beautiful shore town.

"If it were not for Maryville, I would not have all the great things I have today. They helped me with all sorts of things from mental health to government resources. The people who worked with me were some of the most dedicated and helpful people I've ever had the pleasure of meeting," Brian said.



New Jersey Suicide Rates



Data is from the **Centers for Disease Control and Prevention's (CDC's) National Center for Health Statistics**, August 20, 2025

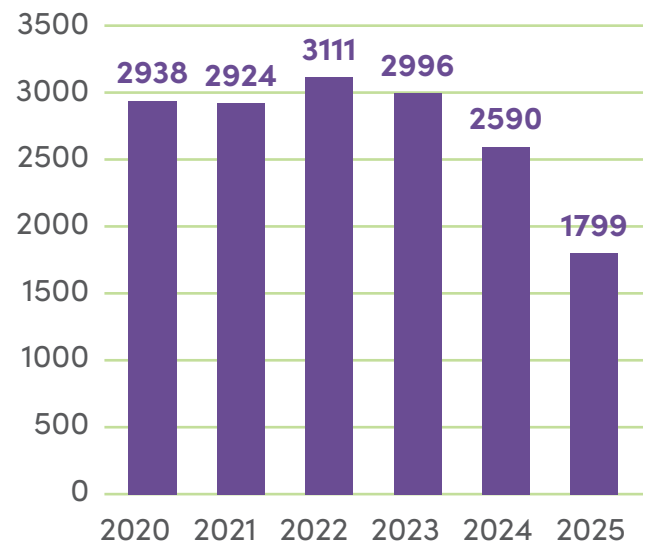
Ensure Fiscal Sustainability for New Jersey's Behavioral Health Services

At this time of current and impending federal policy changes and funding cuts, it is more important than ever for New Jersey to apply every resource available to support access to quality mental health and substance use treatment and supports.

Behavioral health programs across the continuum of care are in dire straits, with many facing decisions about reductions or closure. Providers just cannot continue to fill the fiscal gaps left by inadequate reimbursement, and they certainly cannot maintain a qualified workforce with current rates and contract levels. Across-the-board increases on rates and contracts are a need that absolutely must be met to keep the current network in place.

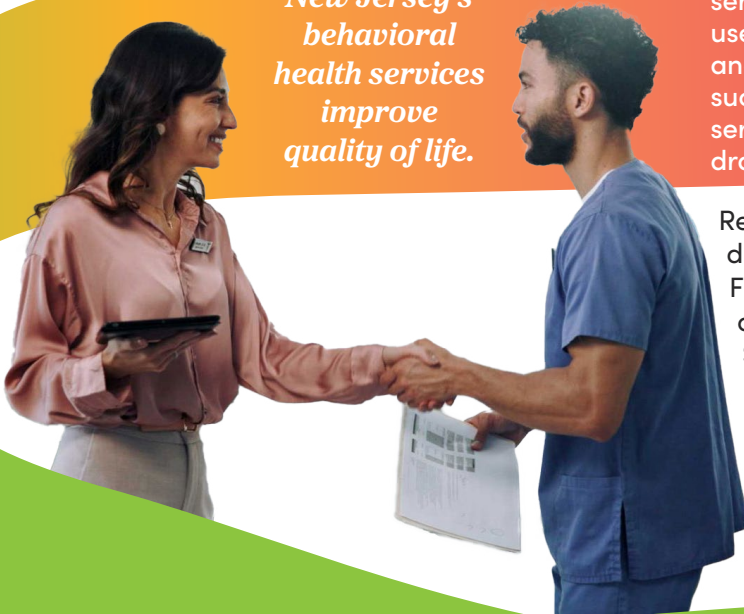
New Jersey has seen success in recent years in reducing both overdose deaths and suicides. Preliminary data for the 12-month period ending in April 2025 shows a 30% decrease in fatal overdoses compared to the preceding 12-month period. Tragically, we still lost 1,799 lives to overdoses between April 2024 and April 2025 – but for the first time in nearly a decade, the number was fewer than 2,000. And, according to the Centers for Disease Control and Prevention, New Jersey's suicide rate per 100,000 population dropped from a high of 8.3 in 2018 to 7.2 in 2023, the lowest in the nation.

New Jersey Overdose Deaths



Data is for the 12-month period ending in April of each year. Source: CDC National Center for Health Statistics

New Jersey's behavioral health services improve quality of life.



Beyond literally saving lives, New Jersey's behavioral health services — which go beyond mental health and substance use treatment to include case management, peer support, and services to address social determinants of health, such as housing, nutrition, and employment and education services — improve the quality of life for individuals in dramatic ways.

Recognizing that New Jersey's budgets are restrained by decreased revenues, NJAMHAA is recommending an initial FY2026 investment of \$54 million (state funds) to provide a 10% across-the-board increase to rates and contracts. Such an investment would be matched by \$21 million in federal funds, for a total investment of \$75 million, with this increase recurring in FY2027. This amount reflects the minimum investment needed to sustain behavioral healthcare providers, with additional increases needed in subsequent years to fully cover the costs incurred for the services they are contracted to deliver.

New Jersey's budget must reflect that it truly values mental health and substance use treatment, support and recovery services that provide positive outcomes for those individuals in need by investing significantly to sustain and expand these critical, life-altering and life-saving services.

RECOMMENDATIONS

- Maintain the **\$43 million** in state funding for the NJ Statewide Student Support Services (NJ4S) program.
- Provide a **\$3 million** increase to School Based Youth Services Programs.
- Invest **\$3.2 million** to increase Children's Partial Hospital rates to \$115 per hour.
- Provide **\$16.7 million** (will draw a \$16.7m federal match) to increase Care Management Organizations' per member/per month rate to \$1,200.
- **Increase the number of inpatient beds** for children with intellectual and developmental disabilities.
- Provide **\$300,000** for training Group Home, Care Management Organization, Mobile Response and other staff providing services to children with intellectual and developmental disabilities.
- Release the remaining **\$23 million** for children's mental health services that was rolled over to FY2026, according to the Department of Children and Families' spending plan.



NJ4S: Growth Over Time

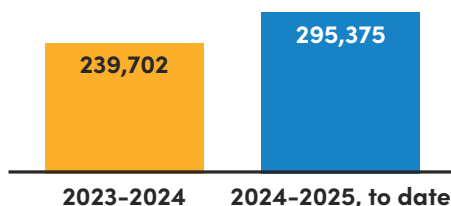
School Year 2023-2024 (September 1, 2023 to August 31, 2024)
to School Year 2024-2025 to date (September 1, 2024 to April 1, 2025)

KEY FINDINGS

With 5 months remaining in the 2024-2025 school year, NJ4S has surpassed the prior school year in **Tier 1** service participants and Tier 2 and 3 interventions delivered.

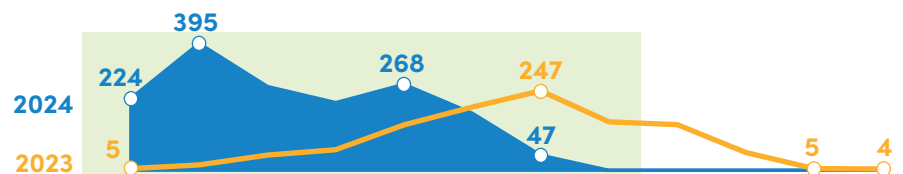
- The number of students, parents and staff receiving **Tier 1** services grew from **239,702** in the 2023-2024 School Year to **295,375** in the 2024-2025 school year, to date.
- **420** Tier 2 interventions have been delivered in the 2024-2025 school year, to date, up from **277** in the 2023-2024 school year.
- **1,310** Tier 3 interventions have been delivered in the 2024-2025 school year, to date, up from **866** in the 2023-2024 school year.

Total Number of Individuals Receiving Tier 1 Services By School Year



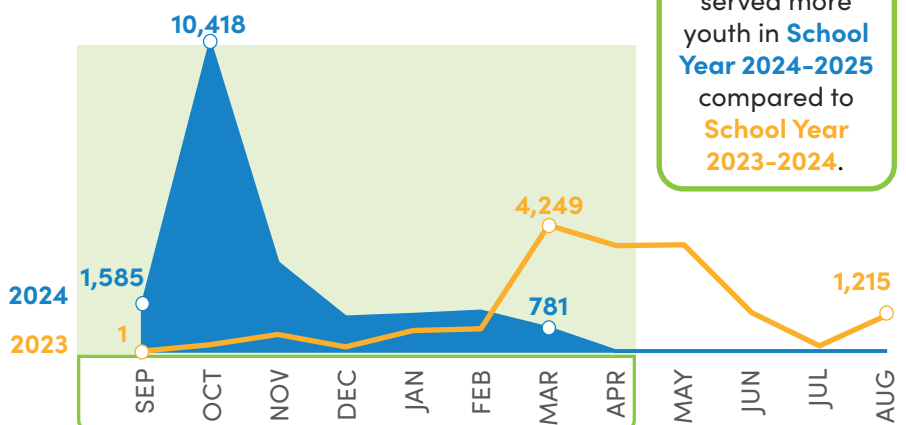
Total Number of Interventions by Month (Tier 2 and 3 Services)

School Year 2023 versus School Year 2024, to date



Total Number of Individuals Receiving Interventions by Month (Tier 2 and 3 Services)

School Year 2023 versus School Year 2024, to date



With 5 months left in the school year, NJ4S has served more youth in **School Year 2024-2025** compared to **School Year 2023-2024**.



Source: Department of Children and Families' NJ4S Annual Report and Addendum, 2023-2024 School Year

Strengthen and Expand Services to Better Meet the Needs of New Jersey's Children and Youth



New Jersey's Children's System of Care has also made tremendous strides in service delivery and outcomes with innovation and expansion. Most recently, the ACT pilot for children and youth in Cape May and Atlantic Counties, modeled on the adult Program of Assertive Community Treatment (PACT), has shown great success. The Department of Children and Families (DCF) is seeking to expand this program, which serves ages five to 20 and has a multi-disciplinary team that includes, but is not limited to, a psychiatrist or APN, nurse, peers, occupational therapist, clinical staff, crisis mentor and more. Ideally, youth are served in their homes.

Another success has been the New Jersey Statewide Student Support Services (NJ4S) program, currently in its third year. This program operates statewide from 15 regional hubs, each including a director, mental health crisis-prevention consultants, and mental health counselors. Hubs provide three tiers of services. Services in the first tier are available for all students in the state, their parents, and school faculty. These include prevention and skill-building workshops on various topics such as substance use, conflict resolution,

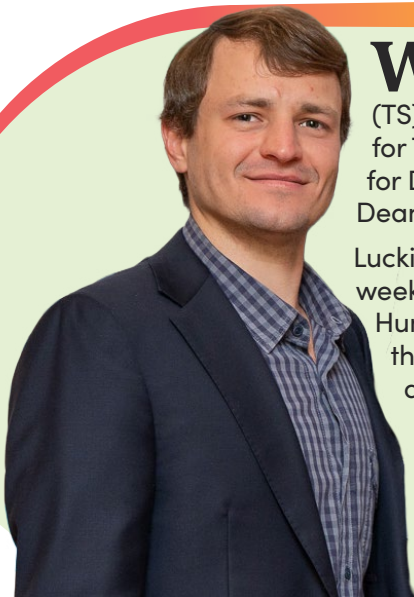
and lifestyle changes to improve mental health. The second tier is offered to smaller groups of students who need short-term services targeted to address specific issues. The third tier, offering the highest level of service, provides brief clinical interventions to individual students.

Despite these and other successful innovations, many challenges remain in providing timely, appropriate behavioral health services to New Jersey's children and youth. Inadequate rates and contracts threaten some programs with reductions or closure and contribute to staff recruitment and retention difficulties. Among the programs that need investment to ensure fiscal sustainability and workforce stability are School Based Youth Services Programs (SBYSPs), children's Partial Hospital Programs (PHPs) and Care Management Organizations (CMOs). A total of \$23 million is needed to strengthen all three of these programs and ensure they can continue providing their critical services - \$3 million for SBYSPs, \$3.2 million for Children's PHPs and \$16.7 million for CMOs.

DCF's spending plan for the \$29 million for children's mental health services that was rolled

over from the FY2025 budget to the current FY2026 budget would have addressed several workforce challenges. This was evident when DCF needed and was able to have \$5.9 million of these funds released in November 2025 to distribute to all children's out-of-home programs to stabilize provider capacity and support workforce retention and training. The \$23 million remaining should be released and invested in SBYSPs, PHPs and CMOs.

Investment is also needed to create additional inpatient beds for children and youth with behavioral health diagnoses and intellectual and/or developmental disabilities (IDD), as well as for training of staff who serve this population in various settings. Currently, New Jersey has only ten Children's Crisis Intervention Service (CCIS) beds dedicated to children and youth with these dual diagnoses. And even those cannot always be utilized, as there is insufficient staff who are adequately trained for these one-on-one services. Specialized training is also needed for staff in group homes, CMOs, Mobile Response and other children's programs so they can properly assess, engage and serve children and youth with IDD.



When he was 10 years old in 2004, Dean was diagnosed with Tourette Syndrome (TS). His school guidance counselor invited a representative from the New Jersey Center for Tourette Syndrome and Associated Disorders (NJCTS), to provide vital education for Dean, his classmates and the faculty and staff. With this newfound understanding, Dean's school experience improved significantly, but socially, he still felt alone.

Luckily for Dean and his family, that year, NJCTS Founder Faith Rice started a camp retreat weekend for families facing a TS diagnosis. This retreat, held at YMCA Camp Bernie in Hunterdon County, brought families together for education, support and fun. For Dean, the camp was transformative. He met life-long friends with TS, gained confidence and decided to become an advocate.

Today, Dean is a graduate of Rollins College and runs a successful construction business with his brother. He has reconnected with NJCTS, eager to help children with TS understand their diagnosis and become advocates.

RECOMMENDATIONS



Invest **\$8 million** for recruitment and retention bonuses for behavioral health staff.



Invest **\$4,175,000** to bring the behavioral health loan redemption program budget to **\$8 million**.



Invest **\$5 million** in incentives for behavioral health organizations to become field placement sites and provide clinical supervision of interns.

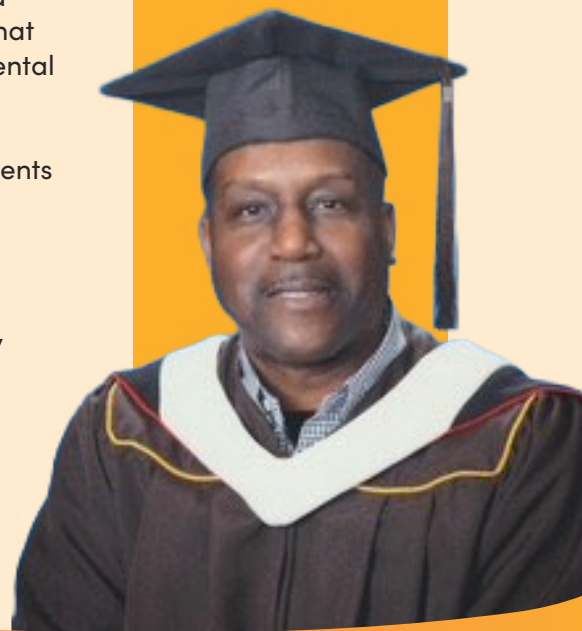


Pass S2123/A3577 to bring accountability to New Jersey's licensing Boards.

Robert Brooks started in Catholic Charities, Diocese of Trenton's (CCDoT's) Partners in Recovery program in 2017. While receiving treatment for substance use disorder and post-traumatic stress, he naturally started helping others in the program. "My counselors would say, 'That's case management'. I guess they were preparing me for what was to come," Robert said. Just a year later, he was hired as a Peer Mental Health Advocate.

"It's my lived experience," Robert said that helps him connect to the clients in the programs. "They know I've been where they are. Some people remember me from when I was in group. They remember my change. They have seen my transformation."

Robert earned an Associate's degree from Camden County Community College and became a Certified Drug and Alcohol Counselor. He then graduated from Rowan University with a Bachelor's degree in Human Services Direct Care. His current role at CCDoT is Dual Disorder Coordinator in the Partners in Recovery program and the Partial Care program in Westampton.



Invest in the Behavioral Health Workforce

The capacity of community-based providers of mental health and substance use treatment and supports is limited by the workforce they employ, a workforce marked by unprecedented vacancies, high turnover and non-competitive wages. The items being recommended to support the workforce – recruitment and retention bonuses, significant funding for the behavioral health loan redemption program and incentives for field placements – are requested because they are critically needed to sustain even the current levels of staffing, let alone a more adequate one.

Recruitment and retention bonuses were shown to be successful when federal funds were provided for those purposes during the pandemic. With the higher-than-average retirements since that time and lower number of entrants to the field, it is essential that experienced staff be retained and the number of individuals entering the behavioral health field be increased. Regarding the latter, it is imperative for the behavioral health loan redemption program to be expanded. The funding for this program was cut by almost half in FY2026, decreasing

from \$7 million in FY2025 to \$3.75 million. This program is key to augmenting the behavioral healthcare workforce pipeline.

Beyond impacting access to care, the current workforce shortages also have led to organizations finding it extremely difficult to serve as field placement sites where students can intern to meet the requirements they need to graduate and/or obtain licensure.



Licensed Clinical Social Workers (LCSWs), Licensed Professional Counselors (LPCs) and Licensed Marriage and Family Therapists (LMFTs) are among the most difficult professionals to recruit and retain, and, given the many critical roles these licensed staff have, organizations are reluctant to add supervision of interns to their responsibilities. The reasons are many, but two stand out. The clinical services of these professionals are in such great demand that allocating hours to supervision directly decreases access to care for those in need. Additionally, supervision

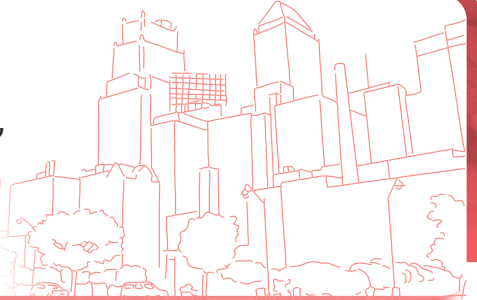
is not reimbursed, thereby directly decreasing organizations' revenue. Providing incentives to providers to be field placement sites would support making more clinical staff available for this critical purpose and be beneficial to the workforce pipeline.

NJAMHAA also recommends passage of S2123/A3577 to bring accountability to New Jersey's licensing Boards. The workforce study commissioned by the Department of Children and Families, in collaboration with the Department of Human Services, in 2023 confirmed that licensing delays preclude the hiring of clinicians. Hiring an individual who has a

pending application for licensure would result in paying top level wages for staff who cannot work to the top of that potential license. The legislation would require a report on the number of outstanding applications, the average time for approving an application, and a list of the most common errors on applications rendering them incomplete, among other data points including staff costs, recruitment and retention initiatives and the status of information technology infrastructure. Such reporting requirements represent a first step toward improving the licensure process by clearly identifying where problems exist.

RECOMMENDATIONS

- Invest **\$20 million** in capital funding for community-based providers to apply for support to meet the facility requirements of fully integrated sites, as well as upgrade their aging facilities, grounds and fleets.
- **Pass S144/A3625** to reinstate the 70+ year exemption of vehicle registration fees for nonprofit organizations' vehicles.

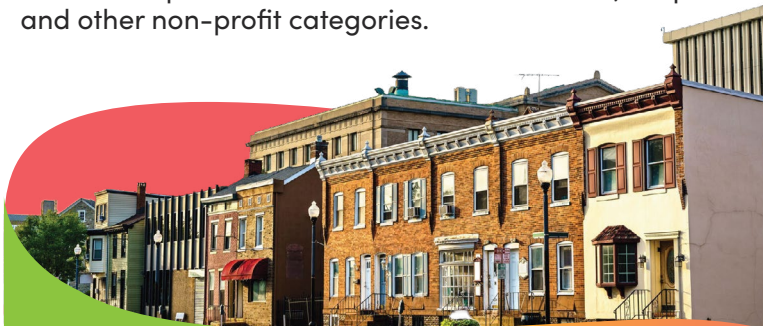


Invest in Necessary Infrastructure

Prior to when the majority of programs overseen by the Division of Mental Health and Addiction Services moved to fee-for-service reimbursement from contracts, providers could submit requests at the end of each fiscal year to utilize unspent funds for infrastructure needs, such as vehicle purchase, heating/ventilation/air conditioning system replacement and roof repair. Since 2016, that option has not been available to most programs, many of which reside in aging facilities.

Capital funding is long overdue to both fill this gap in support of property and fleet needs and to enable organizations to undertake renovations that would allow them to more fully integrate primary medical care into their service continuum. The high level of comorbidities that individuals with mental health and substance use disorders experience can be positively impacted with coordinated, on-site delivery of basic medical care. The proposed integrated license regulations offer opportunities to provide comprehensive care at a single location and should be fully supported with an initial investment of \$20 million for a capital needs grant program.

Also long overdue is the passage of S144/A3625 to reinstate the 70+ year exemption of vehicle registration fees for nonprofit organizations' vehicles. The repeal of this exemption in 2017 resulted from a reinterpretation of the term "humane societies" used in the 1940 statute. The resulting costs can be significant for providers with large fleets, all of which should continue to benefit from the same exemption still afforded to water districts, hospitals and other non-profit categories.



ARRIVE Models

Non-Law Enforcement Response: Mental health professionals respond alone.

Co-Response: Law enforcement respond on scene not in uniform and mental health professionals respond on scene simultaneously.

Telehealth: Law enforcement respond on scene and mental health professionals join remotely via telephone or video conferencing.

Close Follow-up: Law enforcement respond on scene in uniform and mental health professionals join on scene subsequently.

Follow-up: Law enforcement respond on scene alone, and mental health professionals follow up with the individual to provide mental health and support services at a later date and time.

11,410 ARRIVE Reports	2,143 19% Co-Response Reports	4,495 13% Follow-up Reports
394 3% Telehealth Reports	212 2% Non-Law Enforcement Intervention Reports	4,243 37% Close Follow-up Reports

Includes information from ARRIVE reports with an incident date from 5/1/2023 to 11/30/2025 and marked complete as of 12/2/2025. A single ARRIVE report may include the use of more than one ARRIVE model. Thus, the total may be greater than 100%.



Source: New Jersey Office of the Attorney General, ARRIVE Together Dashboard – ARRIVE Models

RECOMMENDATIONS

- **Maintain funding of \$19,765,000** for the ARRIVE program.
- **Make pre-release and reentry services a priority** of the Department of Human Services under the current 1115 Waiver and ensure their inclusion in the 2028 renewal application.
- **Open New Jersey's Certified Community Behavioral Health Clinic certification process** to all willing providers once the State Plan Amendment is in place.

Support Critical Services in the Continuum of Care

There are very important touchpoints throughout New Jersey's behavioral healthcare network, where intervention and engagement can define an individual's future. Many services exist that take advantage of these moments – among them is the Alternative Responses to Reduce Instances of Violence and Escalation, or ARRIVE Together program. Now operating in all 21 counties, ARRIVE Together operates with different models across the state that range from a mental health professional responding alone, to co-response with law enforcement, telehealth and a mental health professional coming on scene after law enforcement has arrived. Early studies showed that the program was successful in reducing both the use of force and arrests and racial disparities in outcomes. New Jersey's leadership in developing this successful program and achieving these results is applauded. Full support for the valuable ARRIVE Together program must continue.

Another critical touchpoint for individuals with mental health and substance use disorders is during the months prior to their release from incarceration. Pre-release services are very important to reduce overdoses, death and recidivism in the months following an individual's return to their community. New Jersey sought to begin services prior to release under its latest 1115 Comprehensive Waiver application, but the proposal did not meet federal standards for pre-release services. The Centers for Medicare and Medicaid Services (CMS) denied this authority, but is open to further consideration.

New Jersey should begin discussions with CMS and make invaluable pre-release and reentry services a priority under the current 1115 Waiver and ensure that they are included in the 2028 renewal application that will begin to be prepared in 2026.

New Jersey's seven Certified Community Behavioral Health Clinics (CCBHCs), which were among the first in the nation implemented in 2016, are no longer under the federal demonstration program. A State Plan Amendment (SPA) incorporating them is currently awaiting CMS approval. CMS has already granted New Jersey a waiver of state-wideness in its 1115 Waiver, which means only the initial seven CCBHCs will remain state-certified. The state certification process of this comprehensive, extremely successful program model should be open to all provider organizations once the SPA approval is received. Year after year, New Jersey's CCBHCs have proven to have fewer staff recruitment and retention challenges and extremely successful client outcomes. All New Jersey residents should have access to the full continuum of services the CCBHC model provides.



In Closing

New Jersey has a robust continuum of care for individuals with mental health and substance use disorders, but gaps remain, and inadequate reimbursements challenge both fiscal stability and workforce adequacy. Investment is needed to sustain, strengthen and expand services. The reduced overdoses and suicides and a better quality of life for those served that would follow are priceless. At the same time, there would be savings for the State from reduced hospitalizations, emergency room visits, and criminal justice involvement. Significant investments to invaluable behavioral health services are the right and smart choice to make!



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