

**Written Testimony Before the  
New Jersey General Assembly Committee on Health and Senior Services and  
Senate Committee on Health, Human Services and Senior Citizens**

**Hearings on S3220/A4790, a bill to establish the iPHD to integrate data for population health  
improvement research for New Jersey  
December 10, 2015**

**By  
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Good day Chairpersons Vitale and Conaway and distinguished committee members. Thank you for the invitation to comment today on the potential for creating an integrated population health data (iPHD) analysis capacity for New Jersey.

I am Joel Cantor, director of Rutgers University Center for State Health Policy and distinguished professor of public policy. The Center for State Health Policy (Center/CSHP) was established in 1999 to inform, support and stimulate sound and creative state health policy in New Jersey and around the nation. Since our founding, we have been operating in close collaboration with New Jersey State agencies, the Legislature, and New Jersey healthcare stakeholders to produce policy-relevant, impartial research and analysis to advance health policy in our State.

As you know, the bill before you today would create an important new responsibility in the Center, one that we embrace and I believe we are well suited to assume. I believe that the iPHD would be a major innovation with important benefits for the people of New Jersey and our government agencies and for Rutgers and other academic institutions. In my testimony today I will address how the iPHD will: (1) benefit New Jersey, (2) function in collaboration with State agencies with oversight from a State-appointed governing board, (3) advance the missions of Rutgers and other New Jersey research universities, (4) build on the work of Rutgers Center for State Health Policy, and (5) be financed and sustained without the need for State budget appropriations.

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<sup>1</sup> The views expressed in this testimony are solely those of its author and do not necessarily reflect those of Rutgers University or the funders of the Center for State Health Policy.

## **Benefits for New Jersey**

The iPHD will enable better use of data to find ways to make State programs more efficient and effective. Most government programs generate “administrative data” about services and service users in the course of their routine operations. But in many ways, these data are not analyzed to their fullest to inform policy improvements. The iPHD creates a platform for generating the most learning from New Jersey’s rich administrative data.

A central function of the iPHD will be to integrate data across programs. As you are aware, the way public services are financed and managed makes sharing of information across agencies, and even sometimes within agencies for different programs, very challenging. As a result, data on public services is typically “siloeD”. Data silos are not unique to New Jersey; they exist in all states and at the federal level. But people and their needs do not exist in silos. Individuals using services from one public program often use services from other programs, either simultaneously or over time. Linking data for clients using multiple public services is essential for identifying better ways of coordinating government investments and maximizing the health benefits of these investments. The iPHD will employ state-of-the-art data linkage techniques in a highly secure computing environment and in adherence with all applicable privacy laws, regulations and research oversight bodies.

The careful and effective targeting of resources in one program can have significant implications for other programs. The example of investments in homeless services illustrates this point. There is strong published evidence that providing well-targeted housing-related services for high-need populations can reduce avoidable hospital emergency department and inpatient costs. The iPHD could link data from New Jersey homeless outreach and assistance programs to Medicaid and other health care data to identify “hot spots” of avoidable hospital costs among populations at risk of homelessness and identify the kinds of housing supports that are most effective in reducing avoidable hospital costs. That information, in turn, can be used to allocate housing services in a way that maximizes savings in Medicaid or charity care.

Identifying opportunities to coordinate between the criminal justice system and behavioral health programs provides another example of the potential benefits of the iPHD for government operations and population health. The University of South Florida’s (USF) Policy and Services Research Data Center currently functions very much like iPHD would operate under the bill. Working with a

Miami judge, USF analyzed patterns of behavioral health service use and incarceration in Miami-Dade County. The County used that information to develop alternative sentencing strategies focused on community re-entry and reintegration to reduce recidivism among persons with behavioral health problems.<sup>2</sup> Other examples of careful analysis of integrated data are highlighted in the recent white paper by the New Jersey Good Care Collaborative, including work in Washington State, South Carolina, Rhode Island, and Los Angeles County.<sup>3</sup>

The structure and governance of the iPHD will ensure that all research conducted under its auspices will be subject to rigorous safeguards and address the highest priority State needs. The infrastructure of Rutgers, a major public research university, provides Institutional Review Board (IRB) oversight and accountability under federal and New Jersey regulations. This organizational structure ensures data security, privacy of program clients, and the highest standards of research ethics.

### **The iPHD and New Jersey's Research Universities**

The iPHD will give investigators from Rutgers and other New Jersey research institutions a competitive edge for major research grants. National research sponsors, including the National Institutes of Health, Patient-Centered Outcomes Research Institute, Agency for Healthcare Research and Quality, and the Robert Wood Johnson Foundation, have recognized the power of “big data”. Increasingly, these funders are supporting large-scale research on the impact of health improvement strategies in the “real world”, that is, in large, diverse populations. A vital ingredient to researchers’ ability to succeed in highly competitive research grant programs is the timely availability of rich population-based data, like those that the iPHD will create.

The iPHD will advance the goals of the New Jersey Medical and Health Sciences Education Restructuring Act of 2012 (P.L. 2012, Chapter 45). As you know, a major goal of the Restructuring Act was to move Rutgers from a middle-tier to a top-tier public research university. The Act created Rutgers Biomedical and Health Sciences (RBHS), which houses the Center for State Health Policy. In its strategic plan, RBHS calls for attracting more of the best and brightest researchers and increasing research

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<sup>2</sup> More information about the University of South Florida Policy and Services Research Data Center available at <http://psrdc.fmhi.usf.edu/>

<sup>3</sup> Good Care Collaborative, *Building an Integrated Population Health Database (iPHD) for New Jersey*. Available at <http://www.goodcarecollaborative.org/wp-content/uploads/2015/11/iPHD-white-paper-final.pdf>

funding from the federal agencies such as the National Institutes of Health and other sources.<sup>4</sup> The iPHD will contribute to achieving these ambitions. As the State's land grant university, Rutgers has an obligation to serve New Jersey, its residents and State government as a resource. This Legislation will provide the University additional opportunities to do just that.

The iPHD will attract more of the best-and-brightest researchers from across the country to work on ways to make New Jersey government programs more efficient and effective. As I noted, the iPHD will enable New Jersey-based research universities to be more competitive in attracting federal and other funding, but iPHD data will be equally available to qualified investigators from other institutions as well. In fact, the capacity to link data in a timely way across service sectors and government programs will attract top flight researchers from across the country to focus their energy, skills and insights on addressing questions of importance to New Jersey.

### **Rutgers Center for State Health Policy and the iPHD**

The Rutgers Center for State Health Policy (CSHP) is well positioned to ensure the success of the iPHD. The Center was established in 1999 with a major grant from the Robert Wood Johnson Foundation to inform and support state health policy in New Jersey and around the nation. I am joined at the Center by a group of 25 talented and well-trained research faculty, staff, and policy experts. The Center, which is housed within the RBHS Institute for Health, Health Care Policy and Aging Research, is home to a secure, advanced data analytic facility. The Institute's computing operation is subject to oversight by Rutgers Office of Information Technology but is managed separately from the Rutgers enterprise-wide information technology platform.

The Center has grown to be a major source of non-partisan, impartial research and analysis supporting health policy development and evaluation in New Jersey. The Legislature recognized the Center's capacity when it enacted the New Jersey Medicaid ACO Demonstration Project (P.L. 2011, Chapter 114), which calls on the Center to support the Demonstration's implementation and evaluation. That work is well underway. Importantly, the Center has not required State funding to carry out its role. We have received grants from the Robert Wood Johnson Foundation and The Nicholson Foundation to develop quality and cost savings metrics for the ACOs, and we were recently awarded a major federal

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<sup>4</sup> Rutgers Biomedical and Health Sciences, Strategic Plan, Available at: <http://rbhs-stratplan.rutgers.edu/plan/rbhs-strategic-plan>

grant to evaluate the Demonstration and disseminate lessons nationally. Our ability to pursue alternative funding sources to advance State initiatives I believe is one of the significant advantages of developing the iPHD at the Center.

In addition to responding to the Legislature as we have for the ACO Demonstration, the Center is frequently called on to conduct work for New Jersey State agencies. At the request of the New Jersey Department of Human Services, Division of Medical Assistance and Health Services, we are currently evaluating the State's Comprehensive Medicaid Waiver. Since our founding, we have also conducted numerous projects for the Department of Health and the Department of Banking and Insurance.

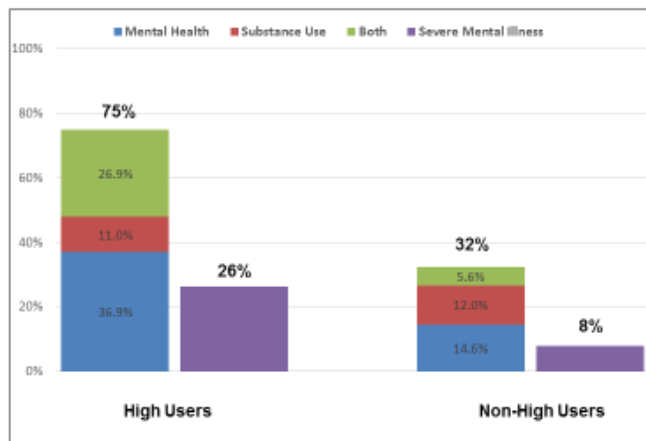
We draw extensively on our data assembly and analysis capacity for these projects. We have, for example, built and are continuously updating a comprehensive database of Medicaid enrollment, claims and managed care encounter records. Under project-specific data use agreements with New Jersey Medicaid, we are using this database for our Medicaid ACO and Comprehensive Waiver studies. We have also extensively analyzed Department of Health data for various studies examining critical issues in New Jersey health care.

A recent CSHP study linking New Jersey datasets sheds new light on the vital importance of coordinating mental health and substance use treatment services with care for medical conditions. In this study, The Nicholson Foundation supported the Center to work with the Department of Health to link data from the New Jersey's hospital discharge, Charity Care, and mortality records across the State and over time. The first chart below from that study shows that *three-fourths* of hospital "high users" (top 5% of inpatient admissions) in 13 low-income NJ areas have one or more mental health problems and/or substance use disorders and that one-in-four hospital high users has a disabling severe mental illness (such as bipolar disorder or schizophrenia).<sup>5</sup>

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<sup>5</sup> Chakravarty, S., Cantor, J. C., Walkup J.T., & Tong, J. (2014). Role of Behavioral Health Conditions in Avoidable Hospital Use and Cost. New Brunswick NJ: Center for State Health Policy. Full report available at: <http://www.cshp.rutgers.edu/publications/role-of-behavioral-health-conditions-in-avoidable-hospital-use-and-cost-3>

**Behavioral Health Problems by Inpatient High User Status**  
13 Low-Income NJ Areas, 2008-2011



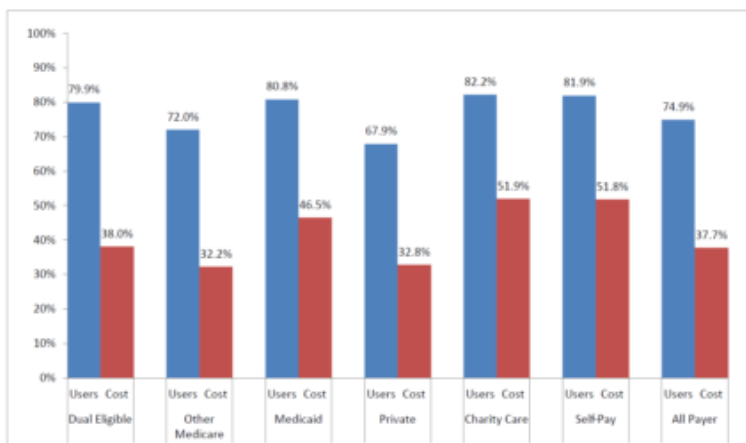
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The second chart below shows the share of hospital high-users with behavioral health problems among patients with different sources of payment in these same 13 low-income NJ areas. Importantly, those covered by State programs, including Medicaid and Charity Care, along with the uninsured (many of whom became eligible for

Medicaid in 2014 under the Affordable Care Act) suffer the highest rates of these conditions. The chart also shows that about half of all hospital costs among high users funded by State programs are generated by patients with behavioral health problems. The linked dataset for this study drew only on Department of Health data and creating it required special arrangements that are difficult to replicate. The iPHD will facilitate the creation of datasets that link information from across government departments and programs and will streamline procedures to gain authorization for, and to efficiently and securely execute, important data linkages.

**Behavioral Health Problems Among Inpatient High Users by Payer**  
13 Low-Income NJ Areas, 2008-2011



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## **Funding and Sustaining the iPHD**

No State budget appropriation will be needed to support the iPHD. My colleagues and I at the Rutgers Center for State Health Policy will take responsibility under the guidance of the iPHD Governing Board for raising private grants to establish the iPHD and sustain it over time. We anticipate that after an initial start-up period, iPHD will be supported by user fees and project grants and contracts. The Center, which is almost entirely supported by grants and contracts, has a strong fundraising record. In the 16 years since our founding, the Center has been awarded nearly \$80 million for health services research and improvement projects by federal agencies and private foundations. In addition, at the request of New Jersey State agencies, the Center has conducted nearly 70 projects with nearly \$7 million in funding. The iPHD financing strategy is modeled on other successful integrated data systems around the country and builds on CSHP's strong relationships with grant-making organizations.

## **Conclusion**

The iPHD will be a major new resource for New Jersey to improve State program operations, substantially increase federal and private funding to New Jersey's research universities, and attract top researchers from around the country to focus on ways to improve New Jersey State program effectiveness and efficiency. The iPHD governance structure will ensure necessary and appropriate State oversight and priority setting. Embedding the iPHD at Rutgers draws on the infrastructure of New Jersey's major public research university, including its extensive research ethics and oversight capabilities. And placing the iPHD within the Center for State Health Policy positions it to succeed and be sustained, without the need for State budget support, for the benefit of the State of New Jersey.