



Connecticut Community Providers Association
a unified voice for community human service providers

February 27, 2007

To: Human Services Committee
From: Terry Edelstein, President/CEO
Re: **S.B. 1128 AA Implementing the Governor's Budget Recommendations with Respect to Social Services Programs**

Please accept these comments relating to S.B. 1128 AA Implementing the Governor's Budget Recommendations with Respect to Social Services Programs.

We would like to register our grave concerns about the proposed funding freezes and caps imbedded in the Governor's DSS budget implementation bill.

CCPA represents organizations that provide services and supports for people with disabilities and significant needs including children and adults with addictions, mental illness, developmental, and physical disabilities.

This bill, coupled with the Governor's budget proposal, will pose significant challenges in the provision of services for the individuals in our care. Specifically this bill:

1. Freezes the rates for Intermediate Facilities for the Mentally Retarded (ICF-MR)

After a year during which the ICF-MR rates were capped based on a retroactive rate, meaning the ICF-MR providers were not compensated for the cost of care, freezing rates further perpetuates the problem of inadequate funding.

It is important to realize that the ICF-MR rates are meant to be all encompassing rates covering the staffing, physical plant and ancillary costs of providing services for individuals with significant disabilities, as qualified for this level of care under the Medicaid program. These rates also cover room and board – that is food, meals for consumers, heating oil, gasoline so that consumers can be transported within the community, roof repairs.

2. Caps the rates for DMR Community Living Arrangements at 2%

These rates are meant to pay for the room and board portion of care for individuals with mental retardation. Staffing expenses are covered through the DMR budget, but CLA expenses are based on retroactive reimbursement within a range of allowable costs. This rate

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setting mechanism allows private providers to replace leaky gutters, repair house siding, purchase a new rug and have these expenses reimbursed retroactively.

A 2% cap voids the long-standing reimbursement arrangement. The boiler still needs to be replaced and paid for. Capping such allowable expenses places great hardship on the agencies committed to providing residential services for people with mental retardation in small group home settings.

These rate freezes and caps affecting DMR providers don't stand alone in the Governor's budget, with a proposed COLA that amounts to virtually no inflationary increase for most human service providers. Organizations providing social services under contract with DSS are slated for no increase at all.

Similarly, providers funded through Medicaid fee-for-service arrangements such as free standing psychiatric clinics receive no rate increase.

By all objective measures, state funding for the community provider network has not kept pace with inflation. Each year providers are asked to make due with inconsistent cost of living increases that eventually have an impact on our clients.

During this legislative session, community providers from across Connecticut have asked the legislature and the executive branch to solve this growing problem for the long term. In addition to overall funding increases of 7% and 5% for FY 08 and FY 09, we are asking the state to agree on a system of annual increases that will allow us to plan properly as we develop our budgets.

We make this request on behalf of our clients who are dependent on a consistent level of care over a sustained period of time. Our clients cannot benefit adequately from our services if their pattern of care is disrupted by budget shortfalls within the system.

Please reject the provisions of S.B. 1128 with its caps and freezes.