

Before the Human Services Committee
Public Hearing, Wednesday, March 13, 2007

Testimony of Daniel Strahinich, Vice President
New England Health Care Employees Union, District 1199, SEIU
Supporting SB 1338, *An Act Concerning A Cost Of Living Increase For Private
Providers Of Health And Human Services*

Good afternoon, Senator Harris, Representative Villano and the other
members of the Human Services Committee.

My name is Dan Strahinich and I serve as Vice President of the New England
Health Care Employees Union, District 1199. We represent more than 20,000
health care workers in Connecticut, including more than 3,000 who work at
private provider agencies that contract with the state to provider services to
clients of DMR, DMHAS, DCF and DSS.

I am here to strongly support SB 1338, which would give a Cost of Living
Adjustment to these private providers of 7% in FY 2008 and 5% in FY 2009.
To quote from an OPM Report issued in 2004, "The services rendered by
private providers are an important and valuable component of the state's
human services infrastructure."¹ But you wouldn't know how important and
valuable they are if you looked at the state's budgets over the last several
biennia.

¹ *Report Comparing Wage Increases Provided to Certain State Employees During the FY 2003-05 Biennium to the Cost of Living Adjustment Appropriated for Private Providers*, September 1, 2004, Prepared by the Office of Policy and Management As Required by Section 105 of Public Act 04-2, May Special Session.

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In fact, for years Private Providers have been systematically deprived of the funding they need to provide quality health care and support services. The costs of that care to the agencies far outstrip their resources. And after many years of near-starvation, the Governor's proposed budget with zero increases in both years could sound the death knell for many of these agencies.

We are already living with major disruptions in the continuity of care for clients, as low wages and weak benefits, especially unaffordable medical insurance cause rapid turnover. The wage gap between health care workers employed directly by the state and those working for private providers is now between 40-50% and that gap gets wider every year. And this Spring, our union has 24 contracts up for negotiation, with thousands of workers who cannot afford the premiums for health insurance for their own families and who have no pension to rely on at the end of a long career of human service.

Certainly there is a question of fundamental fairness, since these workers do exactly the same kind of work with exactly the same client population. Beyond the abstract notion of equal pay for equal work, however, lies the stark reality that services suffer and service providers struggle when there is no stability in the workforce, and families suffer when men and women working full-time to care for others cannot afford insurance to protect their own families and often work at two or three different agencies just to make ends meet.

Let me cite just a few examples. On his or her first day of work, a Mental Retardation worker employed directly by the State of Connecticut at a group home, earns \$17.08 an hour, has access to family medical coverage at no cost and begins accumulating credit towards a state pension. By the end of his or her working test period, hourly wages are \$17.87 an hour; after three years in that position, wages are \$19.18.

The Greater Hartford Association for Retarded Citizens (HARC) is a private provider agency that gets about 95% of its funding from DMR. At HARC, a Mental Retardation Worker performing exactly the same kinds of duties for the same kinds of clients in a group home starts out at \$11.75, has no pension and, if she wants family medical insurance, has to pay \$479 a month – 25% of her pre-tax income! Even at the “high wage” agencies like Oak Hill -- the state’s largest private provider -- workers start at \$14.43/hour and are only making \$16.03 after three years. The gaps are similar for workers agencies that provide Mental Health, Child Services and general health care services throughout the state.

We have been up before the committees of the General Assembly raising these issues many times over the past years. Implementing these COLAs will in no way close the gap between public and private workers. It will only stop the bleeding by keeping the gap from getting any wider than it already is.

This year there is added urgency however. Every provider is facing huge increases in their costs for energy and in their costs for health insurance – even though most workers can't afford the current premiums. Dozens of the union agencies need to sit down and negotiate contracts with our members, and our members have seen their wages fall further and further behind inflation every time, with no compensating improvements in benefits. A zero-zero budget is a recipe for disaster, chaos and conflict. If we truly believe that “[t]he services rendered by private providers are an important and valuable component of the state's human services infrastructure,” then as a State, we need to do more than pay lip service to the concept. The Governor's proposed budget shortchanges direct care workers, providers and, most importantly, we breaks our collective promise to the citizens of Connecticut.

Thank you.