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HUMAN SERVICES COMMITTEE PUBLIC HEARING

MARCH 13, 2007

S.B. 1338 AAC A COST OF LIVING INCREASE FOR PRIVATE PROVIDERS OF HEALTH AND HUMAN SERVICES

AND

S.B. 1396 AAC THE STATE PURCHASE OF SERVICE CONTRACTS FOR HEALTH AND HUMAN SERVICES

Good afternoon. I am Diane Manning, President/CEO of United Services, a private, non-profit community provider. United Services is a comprehensive behavioral health center providing mental health and addiction treatment, community based supports, crisis intervention and domestic violence services to more than 4000 adults, children and families in Northeastern Connecticut.

We contract with the Department of Mental Health and Addiction Services, Department of Children and Families, Department of Social Services, Court Support Services Division of the Judicial Department, Department of Mental Retardation and the Department of Education, and the U.S. Department of Health and Human Services. We supplement those contracts with fees collected for outpatient treatment and some rehabilitation services from Medicaid, including the Behavioral Health carve out for Husky, Medicare, SAGA, and third party insurances when possible. We receive small donations from the towns we serve, and contract with private employers, school systems and others to provide professional services. Increasingly, we also rely on fundraising to cover basic costs of providing services to the ever-increasing numbers of residents who come to us for help.

I am speaking to you today representing the Public Policy Committee of the Connecticut Community Providers Association (CCPA) to ask for your support of adequate Cost of Living adjustments for providers of human services under contracts with the State of Connecticut, and

for the ability of the Office of Policy and Management to waive the requirement for competitive procurement for existing human services programming when it is in the best interests of the State and the clients served by the private providers.

I am proud to provide vital mental health and addiction treatment support services to thousands of individuals in need. Like other community providers, we provide these services in an effective and efficient manner. However, I must tell you that the years of inadequate funding have taken a toll United Services can no longer support. Last year and this year we will lose more than \$200,000 annually providing services under contracts with the State of Connecticut. The effective 1.5% COLA in FY07 does not begin to cover the increased costs we face to meet needs in our area. Absent a COLA in FY08, we are estimating a shortfall of approximately \$750,000. Clearly, we cannot operate under that scenario, and will need to make drastic costs in or elimination of whole parts of our service system in Northeastern Connecticut.

When the Governor's Budget is presented, one column is labeled "Current Services". In most line items, like Personal Services or Other Expenses, that column is the cost of providing the existing services at their new cost for the next fiscal year, building in the increased costs of doing business for the State. There is a glaring exception to that rule, and that is the "Grants" line in Human Service agency budgets. Those lines support the contracts with private providers, and with no increase most certainly do not maintain current service delivery.

Over the years, private providers have been forced to quietly freeze positions, then eliminate them. We have sometimes neglected our facilities and our vehicles, because we have always tried to get the most service on the street. After all, that is our mission. But we are at the breaking point. We cannot reduce the amount we pay for heating buildings or transporting staff to clients; those costs are rising far faster than even the Cost of Living in general. Our staff cannot take cuts in hourly rates of pay; after all, we already have high turnover rates and staff who work multiple jobs to make ends meet now.

I am merely asking you to consider the cost of "Current Services" for private providers in the same way that you consider other costs. Therefore, please favorably report out S.B. 1338, and support this extreme need through the budget negotiation process.

I also ask for your support of S.B. 1396. Many of the services we provide for clients through our contracts with human services agencies are vital to those individuals survival in their

communities. Regular rebidding of services will have a major disruptive effect on their lives. Allowing the Office of Policy and Management to waive the competitive bidding process will help to ensure continuity, but also eliminate the costs of start up is programming shifts in the process. Processes exist in the current contracts for rebidding of contracts when the service model is changed, or when the quality or quantity of services does not meet the contract standards. Those processes can be used to insure that the most efficient and effective services the state can purchase are in place, without the potential of unnecessary disruption in services.

The lack of any COLA or rate increases, together with growing costs of doing business, leaves community providers with only one option – to cut services to Connecticut’s residents in most desperate need. Please support these two pieces of legislation, and fund the 7% and 5% COLA.

Thanks you for your attention.