



March 12, 2008

To: GAE Committee

From: Terry Edelstein, President/CEO

Re: **H. B. No. 5887 (RAISED) AN ACT CONCERNING PAYMENT OF PERSONAL SERVICE CONTRACTS.**

Please accept this testimony for the record. We appreciate the Committee raising HB 5887 for public hearing.

CCPA represents organizations that provide services and supports for people with disabilities and significant needs including children and adults with substance use disorders, mental illness, developmental, and physical disabilities. Most of these organizations rely heavily on state funding in order to provide their services.

These organizations have “Purchase of Service” (POS) contracts from the state. (A small number may have “Personal Service Agreements,” but the provisions relating to the PSAs differ from the POS contracts.) While POS contracts are issued by the human services state agencies, the OPM POS unit monitors the process, setting guidelines and overall standards. The state agencies falling under POS are: DDS, DMHAS, DCF, DSS (grants), DPH, Correction, Judicial, Children’s Trust Fund.

Delayed payments create an untenable cash flow situation, in which services have been provided to consumers, wages and benefits for employees have been paid, but the community provider organization is compelled to “upfront” the cash until state payment is received. This results in accessing lines of credit and paying interest on loans for funds that should have been paid in advance by the state. **Payment delays exacerbate the already existing crisis in funding shortfalls for community providers, as contracts from the state don’t cover the “cost of services.”**

**CCPA**

35 Cold Springs Rd., Suite 522, Rocky Hill, CT 06067-3165  
(P)860-257-7909 • (F)860-257-7777  
[www.ccpa-inc.org](http://www.ccpa-inc.org)