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Testimony Submitted to the Human Services Committee:

Concerns & Recommendations Regarding:

**S.B. No. 34: AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET
RECOMMENDATIONS WITH RESPECT TO SOCIAL SERVICES PROGRAMS.**

Submitted By: James Morrison, Senior Vice President
MARC: Community Resources

Public Hearing Date: February 26, 2008

Repeal the 2% Rate Cap on Residential Care Homes and Community Living Arrangements,
and Repeal of the Rate Freeze for Intermediate Care Facilities for Individuals with
Intellectual Disabilities (ICF/MRs)

To Senator Harris, Representative Villano and members of the Human Services Committee, I appreciate the opportunity to provide testimony regarding these important issues.

My name is James Morrison, Senior Vice President MARC: Community Resources. We are a non-profit agency providing services to individuals under contract with DDS in the greater Middletown area. We currently operate several licensed CLA's, support individuals living in their own homes, and provide a full array of vocational and leisure services. We are among the 500+ member agencies of the Connecticut Association of Nonprofits (CT Nonprofits.)

There are many aspects of the DSS Budget that will have a positive impact upon the provision of services within the nonprofit sector. However, I am writing to draw your attention to an area of grave concern for providers of residential services who are presently funded by the Department of Developmental Services (DDS.) We respectfully urge you to reconsider, and repeal the 2% Rate Cap on Residential Care Homes, as indicated in the following section 3 of S.B. No. 34:

S.B. No. 34: Sec. 3. (Regarding Residential Care Homes) For the fiscal year ending June 30, 2009, no facility shall receive a rate that is more than two per cent greater than the rate in effect for the facility on June 30, 2008, except for any facility that would have been issued a lower rate effective July 1, 2008, due to interim rate status or agreement with the department shall be issued such lower rate effective July 1, 2008.

We submit that it would be misguided to impose this Cap on the Residential Care Home system, as it has been onerous and damaging to Community Living Arrangements (CLA's) to cap their rates for SFY 08. For this reason, we also urge you to repeal both the 2% Rate Cap on Community Living Arrangements, and to repeal the Rate Freeze for Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/MR's) which receive Room & Board funding through DSS.

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Administrative Office: 12 Fairview Street, P.O. Box 126, Portland, CT 06480 TEL: 860-342-0700 FAX: 860-342-1492
Vocational and Leisure Services: 421 Main Street, P.O. Box 100, Cromwell, CT 06416 TEL: 860-635-5151 FAX: 860-632-9760

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As an agency we stand to lose thousands of dollars per each of our CLA's when the room and board rates for FY '09 are established for the purchases, repairs and maintenance that have already been paid for out of pocket. For example in just one of our homes this past year we have had to replace the water heater, the heating system humidifier, the clothes washer and clothes dryer, in addition to the increased costs of utilities, yard care, snow removal etc. These expenses, which again have already been paid for, will certainly exceed the 2% cap and we will have no viable alternative for any other reimbursement. The options left available get down to slashing the costs of the basics of life, food and shelter, and as an agency we refuse to compromise on those basics for the individuals we serve. The cap is totally arbitrary and capricious and for whatever relative minor savings it affords the state it will be significantly detrimental to the quality of life provided to those individuals living in our homes.

In closing, once again, I urge you to:

***Repeal the 2% Rate Cap on Residential Care Homes and Community Living Arrangements (CLAs),
and Repeal the Rate Freeze for Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/MRs)***

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