



Community Providers Association
Caring for Connecticut.

March 4, 2008

To: Human Services Committee

From: Terry Edelstein, President/CEO

Re: **S. B. No. 564 (RAISED) AN ACT CONCERNING SERVICES FOR PERSONS WITH MENTAL HEALTH NEEDS.**

The Connecticut Community Providers Association 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.

We have been active participants in the rollout of the Behavioral Health Partnership (BHP), a unique partnership between DCF and DSS to increase access to health care services for HUSKY eligible children and their mothers. We are equally involved in service provision funded by DCF and by DMHAS and the interaction between the two agencies to ensure that children and adults with mental illness and addictions receive optimal services. In addition, we have been working DSS to ensure the issuance of updated fee-for-service (FFS) rates for Freestanding Outpatient Clinics, including psychiatric, addiction treatment and methadone clinics.

We support the provisions of S.B. 564 assuming the stated intent that these rate and service enhancements is meant to apply to outpatient psychiatric clinics for children and other DCF grant-funded services, Behavioral Health Partnership services and Freestanding Outpatient Clinics, including psychiatric, addiction treatment and methadone clinics.

For example, Sec. 2 increases the availability of “intermediate care services and programs” for children and adults. **It is our expectation that these services would be provided in freestanding outpatient settings under contracts with DCF or DMHAS, under the BHP or via FFS payment mechanisms with DSS.**

We strongly support the provisions of Sec. 3 (c) that require that the rates under the BHP shall be no less than actual cost effective July 1, 2008. Timely issuance of rates that cover the “cost of services” is essential under the BHP. The Behavioral Health Partnership Oversight Council approved a rate package *retroactive to July 1, 2007 just a week ago*. While the rates for FY08 reflect increases tied to new services such as “Enhanced Care Clinics,” it is too soon to tell whether these rates will actually cover the costs. The services are still in the early implementation stage and are meant to be fully operational in six month’s time. Still, we

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appreciate the commitment of the Departments – DSS and DCF – to develop rate enhancements for many levels of care.

It should be noted, however, that some levels of service, such as methadone clinics, received only 1% rate increases, less than the rate of inflation.

The FY09 rates under the BHP are problematic at best. With only a 2% increase in the FY09 allotment to the BHP, the Behavioral Health Partnership Oversight Council has recommended, in concept to allocate what might be 1% rate increases for most levels of care in FY09, applying the second percentage for special enhancements for Emergency Room and Emergency Mobile Psychiatric Services. Following this path, rates for most BHP services will not keep pace with inflation and service capacity will rapidly decline.

We urge you to recommend a rate increase to the BHP tied to an inflation index such as the Medical Consumer Price Index. The cost to increase the BHP allocation is approximately \$1 M for each 1%. What are you buying? Increased access to behavioral health care for children and their mothers.

It is essential that rates under the BHP are issued in advance of the start of the fiscal year rather than being applied retroactively.

Sec. 4 would require that the rates for “hospital outpatient mental health therapy services” are paid at no less than the actual cost of providing such services. **We ask that you amend the legislation to require that the rates that apply to Freestanding Outpatient Clinics, including psychiatric, addiction treatment and methadone clinics “shall be no less than the actual cost of providing such services.”**

The rates for these services were virtually “frozen” for a dozen years until the Legislature recommended a rate increase for DSS FFS clinics and other services during the 2007 session. (We are still awaiting the issuance of these modified rates in FY08 so we don’t know what the final rate plan will be.) And while we appreciate the stepped up reimbursement schedule, these anticipated rate increases do not reflect the “cost of services,” but rather an increase over the historic base.

Thank you for considering these complex issues.