



STATE OF CONNECTICUT

DEPARTMENT OF MENTAL HEALTH
AND ADDICTION SERVICES
A HEALTHCARE SERVICE AGENCY

M. JODI RELL
GOVERNOR

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COMMISSIONER

Testimony of Thomas A. Kirk, Jr., Ph.D., Commissioner Department of Mental Health and Addiction Services Before the Appropriations Committee April 7, 2009

DEFICIENCY TESTIMONY

Good morning, Senator Harp, Representative Geragosian, and distinguished members of the Appropriations Committee. I am Dr. Thomas A. Kirk, Jr., Commissioner of the health care services agency known as the Department of Mental Health and Addiction Services. I come before you today to answer any questions regarding the DMHAS projected deficiency of \$7.6 million.

The shortfall occurs in the following accounts:

Personal Services	\$4.4 million
Other Expenses	\$2.0 million
Professional Services	\$1.2 million

While these shortfalls are significant, most of these increased costs are, in large measure, attributable to annualized expenditures for the Department's ongoing corrective action efforts to reduce perceived deficiencies as a result of a Department of Justice (DOJ) review, as well as reviews by the Federal Centers for Medicare/Medicaid (CMS) and the Joint Commission on Accreditation of Healthcare Organizations, at Connecticut Valley Hospital and our other state facilities.

I would add, also, that our deficiency was much larger at the outset, but we have worked diligently to reduce it as much as possible by paying close attention to the use of overtime and using the FAC process to cover \$3 million worth of additional shortfalls through lapses beyond what has been taken through rescissions and de-appropriations.

Our Personal Services account shortfall is \$4.4 million, specifically related to the hiring of additional staff at Connecticut Valley Hospital and our other state facilities. It should be noted that we were required to increase our staffing levels in order to retain JCAHO and CMS accreditation, because failure to meet their staffing and patient care standards would have resulted in the loss of federal reimbursement.

The Other Expense account shortfall of \$2.0 million is related to increased expenditures for repairs and maintenance for patient safety concerns not only at CVH, but also at our other facilities, as well as the continued escalation in utility costs.

Our Professional Services deficiency of \$1.2 million is the result of ongoing training costs resulting from the survey at Connecticut Valley Hospital done by the U.S. Department of Justice and increased medical services expenditures, including additional time spent by psychiatrists on patient care and records in our inpatient facilities. Much progress has been made implementing new training modules, and the most recent reviews by CMS indicate that we are continuing to meet their recommendations.

In closing, let me add that we greatly appreciate the fact that both the Governor's proposed budget and the one voted out of the Appropriations Committee last week are adequately budgeted for us to maintain necessary services and retain certification.

Thank you for the opportunity to address the Committee on the department's projected deficiency. I would be happy to answer any questions you may have at this at this time.