



ABILITY BEYOND DISABILITY
A Resource For Changing Lives

Testimony Presented Before the Appropriations Committee

PUBLIC HEARING ON THE DEFICIT MITIGATION PLAN

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Good Afternoon Senator Harp, Representative Geragosian and all committee members. Thank you for the opportunity to present my thoughts regarding the Governor's proposed Deficit Mitigation Plan. My name is Lori Pasqualini. I am the Chief Financial Officer of Ability Beyond Disability, a non profit provider with contracts with several State agencies.

We all understand the financial crisis facing the State. While I agree that the State spending needs to be curtailed, I believe it cannot be done through generic cuts to private provider agencies. For over twenty years Private Providers have proven to provide the best outcomes at the least cost. For the last two years there have been no cost of living increases paid to the private providers. For the last twenty years, the cost of living increases are approximately one third of the Consumer Price Index (see attached chart). With no increase in our funding for the past two years we have been forced to eliminate annual merit increase, and to discontinue funding our employee pension plan. We are facing a 24% increase in our health insurance. We face increased costs of utilities, transportation and staffing. We pride ourselves in providing efficient services. We continuously look for ways to reduce our costs by participating in bulk purchasing, investing in energy efficiency programs, innovative use of technology to support the individuals we serve. We are repeatedly required to provide additional services with fewer or equal resources and we repeatedly meet the requests. We are already running an efficient organization and these cuts will impact the lives of the individuals we serve. For many agencies, these proposed cuts will be the last straw. The State cannot afford to put private providers and more importantly the people they serve in any further peril. I am not coming here stating that cuts don't have to be made. I am saying that the cuts need to be made where the services provided are not providing the best outcomes at the best price. That equates to reductions in state run services not private providers.

It is the role of our legislators to look at how we meet the needs of the people of this State. When you look at the facts, you cannot help but come to the conclusion that the State is not utilizing the resources it has in the most efficient manner. Nearly 50% of the costs of providing services goes to serving less than 20% of the people. That fact alone should make people question why. Add to that fact that outcomes are better in the less costly private provider segment and it is impossible to understand why anyone would continue a system of more costly services with worse outcomes (As demonstrated by Department of Developmental Services licensure data). This is particularly true when the cost of operating a dual system adds to the overall cost to the state and to the taxpayers. There is an answer to reducing costs within the human service sector. The answer lies with a commitment to eliminating the provision of services through state run programs. You cannot reduce funding to private providers or you will risk not only increased costs, but also the lives of thousands of people with disabilities throughout this State.

Winston Churchill said: "It is no use saying, 'We are doing our best.' You have got to succeed in doing what is necessary."

Now is the time to do what is necessary.

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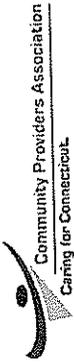
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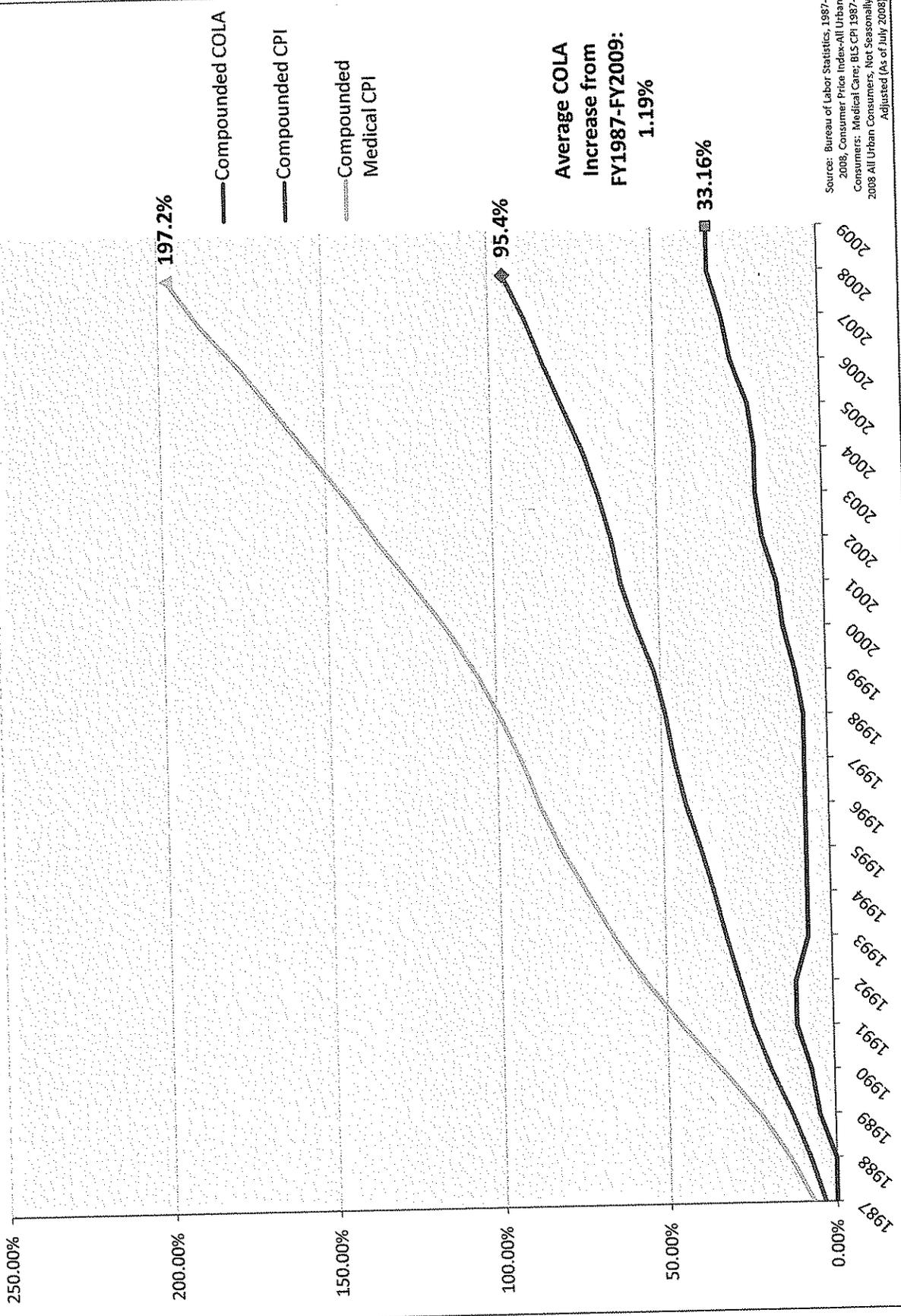
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Our Mission

To enable individuals whose independent living skills are impaired by disability, illness or injury, to achieve and maintain self-reliance, fulfillment and comfort at home, at work and in the community, by providing the best comprehensive home, health and rehabilitation services.



Compounded COLA vs. Compounded CPI and Medical CPI FY1987-FY2009



Source: Bureau of Labor Statistics, 1987-2008, Consumer Price Index-All Urban Consumers; Medical Care; BLS CPI 1987-2008 All Urban Consumers, Not Seasonally Adjusted (As of July 2008)