LEGISLATORS: STATE OF CONNECTICUT APPROPRIATIONS COMMITTEE

Members of the Appropriations Committee I appreciate the opportunity to provide testimony regarding the Health & Hospitals Budget, particularly that portion devoted to the Department of Mental health & Addiction Services [DMHAS] closure of State Administered General Assistance [SAGA] to new intakes. My name is Ronald Fleming [Ph.D., LCSW]. I am the President and CEO of Alcohol and Drug Recovery Centers, Inc. [ADRC, Inc.], in Hartford, Connecticut.

ADRC, Inc. serves more than 3,000 different persons each year in over 5,000 episodes of care provided through the operation of 150 residential beds and two outpatient counseling centers. The vast majority of the persons we serve are indigent and without stable residences. We employ a diverse workforce of 135 fulltime persons and an additional 45 part-time persons in one of the poorest communities in the state.

My Agency operates services from six [6] different buildings located in the greater Hartford area. Providing services to drug and alcohol addicted persons requires safe, secure, and supportive settings which can meet the requirements of health departments, fire departments, accrediting bodies, and funding agencies [such as DMHAS].

A variety of grants from the Department of Mental Health & Addiction Services [DMHAS] provide approximately 45% of the funding required to operate the twenty different programs we operate. A substantial percentage of our remaining operating funds come from fee for service revenue related to providing care to indigent persons who are covered by the Behavioral Health portion of the SAGA medical benefit – also overseen by DMHAS; making SAGA medical benefits critical to the persons we serve and the economic viability of our Agency. Previous rescissions and mitigation plans necessitated by changes in the state budget have resulted in the loss of several staff service provider positions in my Agency and the closure of several small programs.

I am here to advocate against the proposed change to the SAGA program – the state of Connecticut should not close SAGA to new intakes, as has been proposed. The closure of SAGA to new intakes would result in an Agency revenue loss of approximately $200,000 annually. We can not absorb a revenue loss of this magnitude and continue to provide critical core services to persons in need in the Greater Hartford area. Loss of this amount of revenue would require the closure of one or more of our programs, disrupting the system of care and would also result in a significant loss of jobs for staff employed at our Agency.

Further Considerations & Vulnerabilities:

Human Resource Costs

Staff at my Agency, like many comparable Agencies, has been without any grant-funded [meaning no increases attributable to adjustments in grant funds or service rates] salary increases for nearly two years and, of course, we anticipate no relief in the future. Our health insurance costs have risen to the point where they are equivalent to nearly ten [10] percent of our annual budget – exceeding $1,000,000 in this last year. We are currently in the midst of hiring freeze. Our Agency budget, due to revenue losses over the course of the prior rescissions and mitigation plan, has no flexibility left – loss of revenue must translate into loss of staff [and loss of services].

Physical Plant

Physical plant – Maintenance & Repair: A related and comparably serious problem for most agencies is the cost of maintaining and repairing the infrastructure of their service structure. Buildings, computer systems, and vehicles constitute critical aspects of most agencies and yet are not adequately supported by existing funding arrangements with the State of Connecticut. One of the first casualties of revenue loss is the maintenance and repair of Agency infrastructure. We have placed a freeze on all non-essential work. Postponement of maintenance can not go on indefinitely without compromising the physical plant.

Service Demand

Sustained Demand for Services – For most agencies, including my own, demand for care is constant and unrelenting. Most agencies anticipate that due to the difficult economic times the demand for indigent care substance abuse services will likely increase. Agencies, due to their funding structure and tenuous supports are not able to accommodate any loss of funding or reduction of support. We are concerned about the impact any efforts to reduce General Assistance Managed Care funds will have on the ability of providers to provide services to clients.

Lack of Rate Relief

Rate relief is fundamentally critical to our sustaining the ability to care for our neediest citizens and to provide a living wage to the persons who provide their care – our staff. For example, our Detoxification Center has received 19.2% in rate increases **since 1997** – an annual rate of less than 1.5%. Inflation alone rose nearly 33% in the same time period [a 14% disparity]. Many rates do not reflect the actual cost of providing the service. For example, rates for outpatient visits with a doctor [to evaluate and monitor medication] run $5 to $40 less than the actual cost of paying the doctor to provide the care [other related costs not included] – yet these services are critical to many clients. The mitigation plan includes proposed reduction in some reimbursement rates – further exacerbating an untenable situation.

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****END OF TESTIMONY****