



Community Providers Association
Caring for Connecticut.

February 11, 2010

To: Appropriations Committee

From: Terry Edelstein, President/CEO

Re: **DCF and DSS Budgets**

Please accept this testimony on behalf of the Connecticut Community Providers Association with regard to the DCF and DSS budgets. (CCPA) represents organizations that provide services and supports for adults and children with disabilities and other significant challenges including individuals with mental illness, substance use disorders, developmental and physical disabilities. Community providers serve more than 500,000 of the state's most vulnerable residents.

The funding crisis affecting community providers limits their ability to provide services. Many of you have visited community provider agencies in the past, and I'd like to encourage you to visit again. As you meet the individuals we serve, speak with our staff and to talk to the parents and advocates, you can see first-hand just how fragile the community-based system has become.

We've been advocating for a long term solution to our funding crisis for years, much of the time with the support of the Legislature. But at the same time we've been stymied in our ability to transform our service delivery system from one of begging for every dollar to one that is funded as part of the infrastructure of the state. This is where we need your help to support us in developing a long term solution.

Community providers have gone through three years with no funding increases. Flat funding is the equivalent of a cut. With no increases in FY09, FY10 and FY11 we face an ever widening gap with the Medical CPI which has risen by 200.1% compared to community provider increases of 33.1%. We need consistent and adequate funding for grants, contracts and rates including Medicaid and SAGA to meet the immediate Costs of Services (COS) and the increased demands for our services.

The Governor's November rescissions have pushed what was flat funding into a 2% cut in most human services line items in the proposed FY11 budget. Most service providers are panicked as they

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try to figure out where to make the necessary cuts. They can't reduce their most expensive cost, direct service staff hours, because they will be in violation of the terms of their contracts. They are compelled to reduce employee benefits, limit all but mandatory training, delay repairs and hold off on technology and infrastructure improvements, just to continue to provide a basic level of services.

It's difficult to reconcile a 2% cut in line items with the expanded demand for services. According to a study in final draft commissioned by DCF by the Connecticut Center for Effective Practice of the Child Health and Development Institute, child guidance clinics – the outpatient psychiatric clinics for children – serve over 15,000 children a year, up from 10,000 two years ago. It's hard to imagine how these clinics will handle this 50% increase in demand for services when faced with a 2% reduction in their state grant funding.

But on top of the 2% cut across line items due to rescissions, other services labeled in the Governor's FY11 Midterm Budget Adjustments as "lower priority contract service types" in the DCF budget have been cut completely and "non-entitlement accounts" in the DSS budget have been cut by 25%.

Does a 25% cut in the DSS Bureau of Rehabilitation Services budget for "Employment Opportunities" for people with disabilities make sense when these same individuals will shift from earning wages and paying taxes to increasing their dependence on government benefit programs? Does the elimination of a wide range of behavioral health services as targeted in the DCF budget lead to improvement in the mental health care for children? We seem to be looking at recommendations for short term saving with long term cost implications.

Other cuts have a direct impact on access to services. Does adding a copay for Medicaid recipients make sense when studies have shown that when copayments have been instituted for outpatient care, individuals "cut back on doctors' visits, then wind up needing more expensive hospital care" (New York Times, 2/2/10). And if we continue to provide the services and are unable to collect the copays, we absorb the cut directly.

Thank you for giving us the opportunity of focusing on issues with you this evening. We look forward to opportunities to modify the FY11 budget to better support individuals with disabilities in the community.

Compounded COLA vs. Compounded CPI and Medical CPI FY1987-FY2010



