



STATE OF CONNECTICUT
DEPARTMENT OF MENTAL HEALTH AND ADDICTION SERVICES
A Healthcare Service Agency

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GOVERNOR

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COMMISSIONER

Testimony of Patricia A. Rehmer, MSN, Commissioner
Department of Mental Health and Addiction Services
Before the Appropriations Committee
November 15, 2010

DEFICIENCY TESTIMONY

Good Afternoon, Senator Harp, Representative Geragosian, and distinguished members of the Appropriations Committee. I am Patricia A. Rehmer, Commissioner of the Department of Mental Health and Addiction Services. I come before you today to answer any questions regarding the DMHAS projected deficiency of \$28.4 million.

The shortfall occurs in the following accounts:

Other Expenses	\$5.3 million
General Assistance Managed Care Account	\$23.1 million

The Other Expense account shortfall of \$5.3 million is related to not being able to achieve all of the savings and holdbacks that are contained in the department's adjusted appropriation for SFY 2011. The department's Other Expense account was reduced by \$14.7 million dollars, which represents 40% of the agency's appropriation. It is anticipated that the department will be able to achieve \$9.4 million of the targeted savings by reducing expenditures to all but essential items. Many items funded from the Other Expenses account are challenging to control such as utilities, fuel increases, higher food prices for patients, and various other expenses associated with running inpatient facilities. However, we are committed to strictly monitoring all expenditures and achieving savings wherever possible.

Our General Assistance Managed Care account deficiency is the result of higher than anticipated caseload and utilization costs for the Low Income Adults (LIA) population under Medicaid. As you are aware the State Administered General Assistance (SAGA) Program has been discontinued and individuals formerly covered under SAGA are now covered under Medicaid effective April 1, 2010. Currently, the department is estimating a budget shortfall in this account of \$23.1 million dollars. Both DMHAS and DSS continue to analyze utilization data for behavioral health services by the Medicaid LIA populations. This initial analysis has determined that caseload has increased from June 2010 to November by approximately 24%. Our preliminary review also indicates higher than originally estimated service utilization

for clients needing outpatient and inpatient mental health services and increased utilization of mental health services provided at Federal Qualified Health Care clinics.

Both DMHAS and DSS are working together to implement practice improvement initiatives to manage expenditures for the LIA population. These initiatives include working with Substance Abuse Residential Detoxification providers to submit daily census data, assistance to providers in discharge placement and where indicated assignment of a field-base case manager to individuals who need assistance in accessing services, assistance to hospital emergency departments for individuals who can be appropriately diverted from hospital based services to a more appropriate level of care, and hospital acute psychiatric units will receive discharge disposition assistance to individuals admitted to their units. DMHAS and DSS also intend to perform joint post-payment reviews of behavioral health services provided to Medicaid and Medicaid for LIA clients since July 1, 2010. Additionally, an Administrative Services Organization (ASO) will be in place in the near future to assist the Departments in the clinical management of the Behavioral Health Recovery Plan. Further measures to manage expenditures will be developed by DMHAS and DSS as we better understand the growth in the program.

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.

