



**Testimony before the Appropriations Committee
3.4.11**

**Regarding:
HB 6380, AAC the Budget for the Biennium Ending June 20, 2013
Human Services – DSS**

Senator Harp, Representative Walker and members of the committee, thank you for the opportunity to submit testimony. Connecticut Association of Nonprofits (CT Nonprofits) is the largest membership organization in Connecticut dedicated exclusively to working with nonprofits in Connecticut. We represent over 500 nonprofits, 300 of which hold purchase of service (POS) contracts with the state to provide health and human services on its behalf.

Nonprofits provide efficient, cost-effective health and human services on the state's behalf at a great savings to taxpayers. We are critical partners with the state in ensuring a safety net that meets the needs of all CT residents. Because of the dedicated work of nonprofits, fewer uninsured have found themselves in the emergency room because they did not receive less costly preventative care; the elderly and individuals with disabilities have been able to remain independent, thereby allowing their family and caregivers to remain working; more individuals have been able to receive treatment for behavioral health issues, regaining their independence and contributing to their communities; and more individuals have received help with employment and community services to avoid prison.

Unfortunately, years of underfunding with an average cost-of-living adjustment (COLA) of less than 1% over the past twenty years coupled with increased service demand and inflation have left nonprofit providers in a tenuous position. Lines of credit have become more difficult to access and individual and philanthropic giving is down. If you are questioning whether or not nonprofits and those we serve are "sharing in the pain" of the recession, we can assure you that the answer is yes.

CT Nonprofits supports the Governor's proposal to provide funding for new supportive housing and RAP (Rental Assistance Program) certificates. Homelessness in Connecticut has reached alarming levels. According to the CT Coalition to End Homelessness, last year Connecticut's emergency shelters alone served 11,700 people, including more than 1,500 children. The number of people in shelters and transitional programs at any given point in time increased 3% from 2009 to 2010, while shelters have been over capacity (exceeding 100% of available beds, and unable to serve all those in need) during all of 2010 and much of 2009. Permanent supportive housing is absolutely necessary to curb homelessness among those experiencing long-term homelessness and those with disabilities. Meanwhile, housing subsidies, such as RAP certificates, are the primary tool for preventing and ending episodic and family homelessness. We urge the Committee to support these recommendations.

CT Nonprofits does have concerns with the Governor's proposal to implement cost-sharing on certain individuals receiving Medicaid services. These individuals are the least able to afford a co-pay and it will have a significant impact on them. Medicaid co-pays have been twice repealed and rejected in our state because the harm and costs are so well documented. Research shows that these co-pays typically result in people going without healthcare and medications, instead waiting until their condition worsens and they end up seeking more costly acute care in the emergency room. Further, there will be a negative impact on nonprofit providers that serve Medicaid clients because very few nonprofits will refuse to serve those who cannot afford the co-pay and will therefore lose that portion of their funding. This will only compound years of underfunding of the private provider system.

The Governor's budget recommends reducing the monthly personal needs allowance for residents of nursing homes, chronic care hospitals and Intermediate Care Facilities for the Mentally Retarded (ICF/MRs) from \$69 to \$60. The monthly personal needs allowance is a necessary expenditure to assure

that all needs are met. In the event that this funding is reduced, there is no mechanism to fill this gap for an extremely frail and vulnerable population. There is also a recommendation to implement a Room & Board Rate Freeze for ICF/MRs, as well as a Rate Cap/Freeze for 'Boarding Homes' – which includes Community Living Arrangements (CLAs). The implementation of a rate freeze during these incredibly challenging times will only serve to weaken a provider network which has struggled through years of chronic underfunding. The Governor also proposes implementing an ICF/MR User Fee with the intent to return the revenue gained from the user fee assessment in the form of increased Medicaid rates as well as any federal dollars gained from that initial federal claiming. While the process appears to reimburse a portion of the fees back to the provider, at this time, additional clarification is needed.

CT Nonprofits urges the Committee to protect supportive health and human services to the state's most vulnerable residents. We support the revenue recommendations of the Better Choices for Connecticut coalition as an alternative to any deep cuts to human services. Connecticut state government remains lean and Connecticut spending ranks among the bottom 10 states for education, social services and housing. We urge a balanced approach to deficit reduction that includes sensible revenues from those who can most afford it.

The Appropriations Committee has fought hard during recent years to avoid balancing the budget on the backs of the poor. We thank you for those efforts and remain supportive in any manner possible. We also thank Governor Malloy for his recognition of the important services provided by the state's nonprofit partners and urge him and the Committee to preserve the state's safety net.

For questions, please contact Liza Andrews, Public Policy Director, at landrews@ctnonprofits.org