Testimony on the Governor's Budget Proposal
For the Department of Mental Health and Addiction Services
Presented to the Appropriations Committee
On March 2, 2011
By
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Good Afternoon, Senator Harp, Representative Candelaria, and members of the committee. My name is Jeff Walter and I am President and CEO of Rushford Center. Rushford is a community behavioral health organization with facilities in Middletown, Meriden, Portland, Durham and Glastonbury. Rushford also serves as the Local Mental Health Agency (LMHA) for Meriden and Wallingford. I am here today to speak to you about the Governor's proposed budget for Fiscal Years 2012 and 2013 for the Department of Mental Health and Addiction Services.

First, I would like to recognize Governor Malloy for protecting the mental health and addiction services safety net as best he can. There is an overall maintenance of effort in most community grants accounts as well as increases in the managed care account due to anticipated enrollment growth in the Low Income Adult Medicaid coverage group. While there is no provision for cost of living increases, the Governor has proposed bond funds for private non profit organizations to support infrastructure investments.

I would like to caution the committee, however, that the system of community-based care is very fragile. The lack of COLAs over a number of years has led to a gradual erosion of our system and this trend will continue through the next budget biennium. Any funding reductions will lead to serious service curtailments.

The State has opportunities to maximize federal reimbursement under new waiver programs, such as the medical home waiver that provides a 75% federal match for a period of years. I hope the committee will encourage the administration in this direction. However, it is important to recognize that, at least through the next biennium, Rushford – like other providers- will continue to serve the uninsured such as the working poor who do not qualify for Medicaid. This year alone, my organization will provide more than $1.5 million in uncompensated care. We will alsowrite off a similar amount for uncollectible co-pays, deductibles and other charges (e.g., for clients on Medicaid spend-downs).

Finally, I would like to point out that the Governor proposes to implement an Alternative Benefit Package and make other programmatic changes under the Medicaid Low Income Adult program. There are opportunities to achieve cost savings over time through service system innovations that optimize community-based services, thereby avoiding unnecessary hospital days of care. This approach has worked well in the Behavioral Health Partnership program for the HUSKY population. Collaboration between state agencies, the Administrative Services Organization, and providers has been the key to success, under the oversight of the BHP Council. I urge the committee to give DMHAS the flexibility to achieve similar results in the Medicaid LIA program, without mandating co-pays, benefit limitations or provider rate changes. These latter measures can only have the affect of reducing community services which will result in more costly inpatient and ED costs. Co-pays are uncollectible with the Medicaid population and lead to

people staying away from services altogether – or failing to fill their prescriptions. When clients stop their community based care they end up in the ED or in a hospital bed. Local Mental Health Agencies, such as Rushford, should play an important role in managing care in the community and helping clients avoid expensive services.

I thank you for your attention and your support of our programs and services.

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