



March 22, 2011

To: Human Services Committee

From: Terry Edelstein, President/CEO

Re: **HB 6612 AAC Recommendations from the Commission on Nonprofit Health and Human Services Relating to Purchase of Service Contracts**

Please accept this testimony in support of **HB 6612 AAC Recommendations from the Commission on Nonprofit Health and Human Services Relating to Purchase of Service Contracts**

The Connecticut Community Providers Association (CCPA) represents organizations that provide services and supports for people with disabilities and significant challenges including children and adults with substance use disorders, mental illness, developmental, and physical disabilities. Community providers deliver quality health and human services to 500,000 of Connecticut's residents each year. We are the safety net.



We thank the Committee for raising HB 6612 for a public hearing. The Commission on Nonprofit Health and Human Services has met for over six months in a comprehensive, cooperative, inclusive and public process that has yielded a trove of data relating to the provision of health and human services by community providers. Through the work of four incredibly active workgroups each co-chaired by a state agency designee and a nonprofit CEO counterpart, the Commission is in the final stages of making recommendations that should have a profound impact on future service provision.

**CCPA**

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We support the proposed language in HB 6612 that would do much to assure timely execution of Purchase of Service contracts, timely payment on these contracts and the potential to extend contracts for longer than one year. These and other items in the proposed legislation would streamline and simplify the contracting process, letting community providers focus on service provision ahead of burdensome and costly contracting “red tape.”

We ask that you consider adding a section to HB 6612 that would require the OPM Secretary to “conduct a review of wages and benefits of state employees and private employees and establish an index of fixed cost so that appropriate funding mechanism can be established to address the reasonable cost of providing health and human services on the state’s behalf” by January 1, 2012. **Establishing and utilizing an index is essential for the viability of private providers.** Funding adjustments to community providers have increased by 33.2% over the past 25 years in sharp comparison to the Medical CPI that has increased by 209.1% and the standard CPI that has increased by 98.5%. The cost to provide services continues to rise – witness the added costs of plowing driveways, clearing roofs and heating group homes this past winter or the steep rise in the cost of gas that increases the cost of client transportation.

See the detailed chart: [COLA / CPI / Medical CPI- FY1987-2013](#)

The four workgroups of the Commission on Nonprofit Health and Human Services will be making substantial recommendations relating to the comparison between public and private sector wages, the financial health of private providers, the differential cost between state and private services and administrative efficiencies to the contracting process. HB 6612 provides a basis for legislation that will most likely be amended once the full Commission makes its recommendations by April 1, 2011.

Thank you for the opportunity of testifying. We look forward to working with your Committee on modifications and expansions to this bill.