



**Testimony before the Appropriations Committee  
2.17.12**

**Regarding:  
HB 5014, AA Making Adjustments to State Expenditures and Revenues  
for the Fiscal Year Ending June 20, 2013  
Human Services – DSS & DCF**

Senator Harp, Representative Walker, Senator Prague, Representative Abercrombie, Representative Villano and members of the committee, thank you for the opportunity to testify today. My name is Ron Cretaro and I am the Executive Director of Connecticut Association of Nonprofits (CT Nonprofits). CT Nonprofits is the largest membership organization in Connecticut dedicated exclusively to working with nonprofits. 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.

**COLA**

First, I want to acknowledge our support and appreciation of Governor Malloy's proposed 1% cost-of-living adjustment (COLA) and continued commitment to the nonprofit community. As you know, nonprofits provide efficient, cost-effective 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.

Unfortunately, chronic underfunding of nonprofits that hold Purchase-of-Service (POS) contracts with the state, as well as some fee-for-service based programs, has left providers in a tenuous position. Many health and human service nonprofits have seen an increase in demand in recent years as well as consumers presenting with more acute needs. Meanwhile, lines of credit have become more difficult to access and individual and philanthropic giving is flat at best. This has all resulted in many nonprofit executives being forced to take actions that negatively impact the state's economy, such as reducing employee benefits and delaying hiring.

There is a clear need for the proposed 1% COLA and we truly hope that it represents the first step in a concerted effort by the state to correct years of underfunding. We would like to request that the Committee consider making the COLA effective July 1<sup>st</sup> instead of January 1<sup>st</sup> as the Governor proposed. This would allow nonprofits that contract with the state or provide some fee-for-service based programs to benefit from a full 1% COLA in FY13.

**DCF**

You will hear tonight from Dave Tompkins, chair of CT Nonprofits' Children's Council, regarding the proposed budget adjustments for the Department of Children and Families (DCF). I echo his questions and concerns about how the proposed changes will impact providers and the children and families they serve.

Mainly, I would like to briefly highlight the work of DCF's Continuum of Care Partnership and its relation to the budget decisions that the Committee will make. In October of last year DCF initiated the Continuum, which is a public/private partnership between the Department and several providers and advocates within the community. The Continuum has provided an arena for a productive conversation between DCF and providers about the future path of the Department and how all stakeholders can work together to best meet the needs of Connecticut's children and families. However, the workgroups of the Continuum which are digging more deeply into many of the

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system's underlying issues only began meeting in January of this year. It is within these workgroups that systems issues will be thoughtfully analyzed and potential changes will be discussed. We are concerned that budget decisions impacting the system of care are being made prior to the completion of these workgroups.

Commissioner Katz has clearly communicated her vision for the children and families served by the Department and it is one that providers support. However, nonprofit providers adamantly believe in the availability of a full continuum of care to meet the needs of all children, including those with the most severe needs. Providers support kids being cared for in the home of a family member or foster parent whenever that is feasible, but want to ensure that all levels of care and support are available when the home is not the best place for the child. We fear that higher levels of care are being discontinued before an adequate number of foster homes and support systems for families and foster parents are put in place. We urge the Committee's thoughtful consideration of these concerns.

### DSS

CT Nonprofits shares the concerns of several providers and advocates regarding the Department of Social Services' (DSS) proposed waiver of the Medicaid program for Low-Income Adults (LIA), also known as HUSKY D. In 2010, Connecticut became the first state to permanently add low-income adults to its Medicaid program. These individuals were formerly part of Connecticut's State Administered General Assistance (SAGA) program. More individuals became eligible for assistance under HUSKY D because there was no longer an asset test to determine eligibility. Additionally, most providers began being paid at the higher Medicaid rates.

Unfortunately the elimination of the asset test resulted in higher-than-anticipated enrollment. In response the Department has proposed some troubling changes that would reduce coverage and access to care for the individuals in this program, including:

- Limiting benefits under the program, which will result in individuals receiving less adequate health care coverage than other Medicaid participants.
- Counting family income for 19-26 year olds still living with family with the goal being to have these adults use their parents' insurance. Unfortunately it is unclear how such a policy would be established and how the Department could be certain that the affected adults have access to other healthcare coverage.
- Reinstating an asset limit which would need to be removed in 2014 due to the Affordable Care Act. This would seem to be a significant administrative burden for an already stressed Department.

We question the need for these changes as we believe that the unexpected enrollment numbers in HUSKY D represents the true need for these services by Connecticut residents. We urge the Committee's thoughtful consideration of this proposal.

In closing, I would like to thank the Appropriations Committee for working in 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 and strengthen the state's safety net.

Thank again for this opportunity to present testimony today. Please do not hesitate to contact me with any questions or concerns.

Ron Cretaro  
Executive Director  
(860) 525-5080 x22  
rcretaro@ctnonprofits.org