Community Providers Association
Caring for Connecticut.

February 22, 2012

Testimony - Appropriations Committee

H.B. 5014 AN ACT MAKING ADJUSTMENTS TO STATE EXPENDITURES AND REVENUES FOR THE FISCAL YEAR ENDING JUNE 30, 2013.

Re: DMHAS Budget

Good evening Senator Harp, Representative Walker, and members of the Appropriations Committee. My name is Ron Fleming and I am President / CEO of Alcohol and Drug Recovery Centers (ADRC) and a Member of the Connecticut Community Providers Association Board of Directors. I am here today on behalf of CCPA to discuss the Department of Mental Health and Addiction Services' FY13 Midterm Budget Adjustments.

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 are the state's safety net, delivering quality health and human services to 500,000 of Connecticut's residents each year. We are the safety net.

We Are The Safety Net
Caring for Connecticut

ADRC has been serving the citizens of central Connecticut since 1973; providing a comprehensive array of services to persons with substance abuse disorders – many of whom also experience co-existing problems with their mental or physical health. Our agency employs approximately 140 full time employees and 50-60 part-time employees. Our staff provides services to 3,000 persons in more than 5,000 episodes of care each year.

I would like to first express sincere appreciation to Governor Malloy for his support of the safety net for human services in our state that supports and serves our most vulnerable citizens. The Governor's proposal to amend the FY13 budget to add a 1% cost of living adjustment for community providers is essential in preserving the safety net. We encourage you to extend the FY13 COLA adjustment to begin July 1, 2012, rather than deferring this essential increase to a time almost a year away. Our organizations are financially fragile after 20 years of less than 1% increases in revenue for existing state contracts and 4 years with no increases at all. Please know that this is simply not sustainable.

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DMHAS Budget

There are a few areas of concern in the proposed DMHAS budget. We request more detail regarding the proposed changes to the current Medicaid Low Income Adult (LIA) program, now known as HUSKY D. The impact of the proposed changes must be fully examined, including the proposed establishment of an asset test of $25,000, counting family income when determining eligibility for individuals under 26 years of age, and the unknown benefit changes that will be included in an 1115 federal waiver. The overwhelming majority of those served by ADRC are themselves participants in HUSKY D – so the potential impact upon client access to services could be significant.

We also seek greater detail regarding the proposed $2.9 M reduction to funding for uncompensated care in hospitals and FQHCs. It is our understanding that certain community provider accounts could face additional cuts depending on what happens with the proposed shift of dollars in this account.

There are several other DMHAS accounts that might be challenged and should be carefully monitored for service delivery impact and overall access. These include the proposed $480,000 reduction to Young Adult Services, the combined $1.4M reduction to Substance Abuse and Mental Health Services Grants and the $852,343 reduction to the Managed Service System.

We support several areas of increased funding within the DMHAS budget, including an additional $1.5 M for specialized discharge and diversion placements, an additional $1.5 M for six community placements for individuals with acquired and/or traumatic brain injury, as well as an additional $800,000 to support the costs of non-reimbursable services in the Adult Medicaid Rehabilitation Option. Each of these funding increases will directly support and enhance the safety net.

Let me conclude by pointing out that due to funding limitations and lack of rate adjustments, ADRC has had to reduce staff and service availability over each of the last two years. Our fiscal circumstances, and those of many of our colleagues, are specifically at the "tipping point" – we have fully lost our ability to absorb costs of providing services [such as health insurance increases, fuel costs, etc.] without some relief in the form of increased funding or service rates.

Thank you for this opportunity to be heard. I am happy to answer any questions you might have.

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