CONNECTICUT ASSOCIATION of NONPROFITS

...to serve, strengthen and support Connecticut's nonprofit community.

Testimony Submitted to the Human Services Committee

Submitted By:
Julia Wilcox, Senior Public Policy Specialist, Connecticut Association of Nonprofits (CT Nonprofits.)

Public Hearing Date: March 1, 2012

Concerns & Recommendations Regarding:

→ **S.B. No. 30**: **'AN ACT IMPLEMENTING PROVISIONS OF THE BUDGET CONCERNING HUMAN SERVICES.'** To implement the Governor's budget recommendations. (Implementer language pertaining to CLA and ICF / MR Rate Freezes & Reductions) (IN OPPOSITION – Sections 4 - Section 6.)

→ **S.B. No. 231**: **'AN ACT MODIFYING THE KATIE BECKETT HOME CARE WAIVER PROGRAM.'** To make technical modifications to a Medicaid waiver program for persons with disabilities to expand access and better define the population served. (IN SUPPORT)

→ **S.B. No. 232**: **'AN ACT EXTENDING A MORATORIUM ON NURSING HOME BEDS.'** To extend a moratorium on nursing home beds in keeping with a state plan to move more residents to community care settings. (IN SUPPORT)

Senator Musto, Representative Tercyak and members of the Human Services Committee: I appreciate the opportunity to provide testimony regarding these important issues. My name is Julia Wilcox, Senior Public Policy Specialist for the Connecticut Association of Nonprofits (CT Nonprofits.) CT Nonprofits is the largest membership organization in Connecticut, dedicated exclusively to working with nonprofits. We represent more than 530 nonprofit organizations. Approximately 300 of our member agencies contract with State government to provide a variety of human and social services on its behalf. The following comments are provided on behalf of the Developmental Disabilities Division of CT Nonprofits, who are funded by the Department of Developmental Services (DDS.)

There are several aspects of the Governor's Budget that will have a positive impact upon the provision of services within the nonprofit sector. We greatly appreciate the Legislature's ongoing commitment to the nonprofit provider community. With regard to the Human Services Public Hearing on 3.01.12, we urge your support of S.B. No. 231 and S.B. No. 232 (as noted above.) However, I am writing to draw your attention to an area of grave concern for providers of residential services who are presently funded by the Department of Developmental Services (DDS.) We respectfully urge you to reconsider, and repeal the Room & Board Rate Freeze on Residential Care Homes, Community Living Arrangements (CLAs) and for Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/MRs.) In addition, we implore you to repeal the requirement to reduce rates for residential facilities that have 'reduced land and building costs' through mortgage payments. (S.B. 30, Sections 4 – 6.)

While these adjustments would at first appear to be a well-intended cost-saving measure, the impact upon the nonprofit community providers cannot be ignored. As you are no doubt aware, chronic underfunding of the nonprofit network has left providers in a tenuous position. Most have not had the financial means to address critical and necessary capital improvements to the properties referenced in this bill. The priority for these providers has remained focused upon the individuals served through their collective programs, with physical plant improvements a secondary concern. The rate freezes which have been imposed for over five years, serve to compound the fiscal impact of 20 years of chronic, under-funding of the nonprofit providers who partner with the state to provide services on its behalf.

As you continue your efforts to address the state budget, it is essential to view the support of human and social

services (as provided by the nonprofit provider network,) not as an 'expense,' but rather, an 'investment' in human capitol and the welfare of our state.

In closing, I would encourage you to contact nonprofit providers within your local communities. The ability of the state to adequately meet the needs of its residents is greatly dependent upon the ability of the Nonprofit Provider Community to sustain a vibrant network, which will continue to serve as the ultimate safety net for Connecticut's citizens at risk. I thank you for your time and consideration of these critically important issues. As always, please do not hesitate to contact me at any time, with questions, or for additional information:

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THE PATH TO LONG TERM SOLUTIONS:

As we continue our efforts in search of long-term solutions, within the past year, the Legislature has shown some 'light' on the horizon. Specific to services provided in partnership with the Department of Developmental Services (DDS), Development of the following entity has provided exceptional opportunities to continue these efforts – in collaboration with the State:

Department of Developmental Services' Rate Transition Workgroup: January, 2012

Deb Heinrich, Nonprofit Liaison to the Governor
Pat Bourne, Executive Director, SARAH Inc., Co-Chair
Peter Mason, Director, Operations Center, Department of Developmental Services, Co-Chair

Section 57 of Public Act 09-3 (SSS) and Section 4-1a of the Connecticut General Statutes was signed into law effective October 1, 2009. The Act established an Advisory Committee for Services under Programs Administered by the Department of Developmental Services. The committee was charged with studying the impact of the shift from Purchase of Service contract to utilization-based rates for DDS funded programs.

In a report of their findings published in January, 2011, the committee recommended that the rate transition be developed through a collaborative private/public effort. The DDS Rate Transition Workgroup was convened in response to that recommendation.

The DDS Rate Transition Workgroup was initially charged to develop a transition plan for all DDS funded day services. The workgroup was divided into 2 sub-committees. The Transition and Implementation Sub-Committee was charged with establishing the process and procedures to implement the rate transition by January 1, 2012. The Sustainability Sub-Committee was charged with recommending a rate structure for services based on sustainable wages and benefits and the impact of indexing to ensure sustainability over the long term.

The final report shall be forthcoming. CT Nonprofits urges the Legislature to support the ongoing efforts of this critically significant initiative.

SUPPORTING DOCUMENTS:

→ CT Nonprofits' 2012 Cross-Sector Policy Priorities.

→ CT Nonprofits' 2012 Developmental Disabilities Division Policy Priorities