



February 22, 2012

Testimony to the Public Health Subcommittee of The Appropriations Committee

Barry Simon, CEO, Gilead Community Services, Inc.

HB 5014 - AN ACT MAKING ADJUSTMENTS TO STATE EXPENDITURES AND REVENUES FOR THE FISCAL YEAR ENDING JUNE 30, 2013 – **DMHAS Budget**

Good evening Senator Harp, Representative Walker, and members of the Committee. My name is Barry Simon and I am the CEO of Gilead Community Services. We provide high quality health and human services to almost 600 children and adults employing 250 people. I am also the co chair of the Behavioral Health division of the CT Association of Nonprofits which has over 400 members, serving over half a million people, and 11% of CT's workforce.

Gilead has been a part of the public/private partnership in the Community healthcare system for 45 years. We and all the other nonprofit community providers are part of the safety net that helps people live as full a life as possible. I would like to thank the Governor for the COLA increase, we appreciate it; even 1% is a help. We would ask for you to provide the increase sooner by making it effective July 1 of this year and here is why. At the same time the State asks us to deliver these services, it often fails to give adequate funding or the backing needed to provide the services. Our clients need the services we offer in order to live productive, fulfilling and healthy lives. The services we provide are essential services. Again, I want to thank the Governor for recognizing the importance of the Safety net and the need to modernize but, as we use more resources for administrative burden and increased costs of doing business, there are less direct services delivered to our clients...eventually there will be significant consequences.

The community provider system is a cost effective means of providing vital services that are an integral part of the core mission of government. I am here today on behalf of our clients, the incredible staff (part of which are 1199 union staff) and hundreds of thousands of individuals served by the nonprofit community provider system to ask that you look to strengthening the community provider system as a way of addressing aspects of the growing fiscal crisis and provide needed relief to the burden of more regulation and the rising cost of doing business. I am here to tell you that we provide excellent care to our clients that saves the State money and creates jobs as an alternative to more costly and restrictive levels of care.

Now, is a critical moment in time, higher costs, more regulation, and the lack of state support mean program and service reductions at the very moment we should be looking for less costly and more productive alternatives. I can say the system of care is at risk. As you know, there has been no COLA increase since 2008 and the current budget proposes 1% a year from now. Four and a half years of no increase for any state funded community provider contracts, coupled with decades of inadequate COLAs (see attached), simply does not address our ever increasing operating costs and has forced the reduction of services. As healthcare providers our costs continue to rise and we need your help in providing relief to our already overstretched budgets.

Programs have closed in the last few years and will continue to do so – this is not a false alarm (see attached). As an agency we have closed a program and made reductions in others due to the short sighted approach to state budgeting which ultimately leads to dire consequences and increased costs. We are currently contemplating decreasing more programs and reducing more staff to cover the growing deficit created by years of stagnant funding. We have done our fair share to help out during the budget crisis in good times and in bad, at times I just shake my head in wonderment.

We all know that funding issues create staffing issues. We know that when individuals with a chronic illness do not receive proper treatment they are likely to end up in emergency rooms, prisons or more expensive and less appropriate residential settings like nursing homes, thus costing the State even more money. We have serious concerns about a proposed waiver to restructure Medicaid for Low Income Adults (LIA). This waiver proposal would also result in a program that is more limited than what was available before Medicaid was extended to this new population. We understand that the unexpected growth in the program has been challenging for the state, but believe that it is representative of the need for these services within our communities and we urge the Committee's careful consideration of the proposed changes.

Nonprofit Providers are part of the solution for the future of the service delivery system and preserving the investment made in quality, cost effective, community care. We support the increased funding for discharge and diversion services, non-reimbursable costs under the Medicaid Adult Rehab Options, and increased community placements for individuals with traumatic brain injury or acquired brain injury (TBI/ABI). We thank Commissioner Rehmer for her support in ensuring that in these difficult fiscal times cuts to nonprofit providers are minimized.

Please do not throw a life preserver after we have drowned, don't send a canoe to evacuate all of Manhattan. Our Agency and others like us, the employees, and the clients we serve need this systemic problem fixed. Given adequate support, we have provided the needed services; which saves the State money, provides people with independence, and creates jobs.

I thank you for your time.

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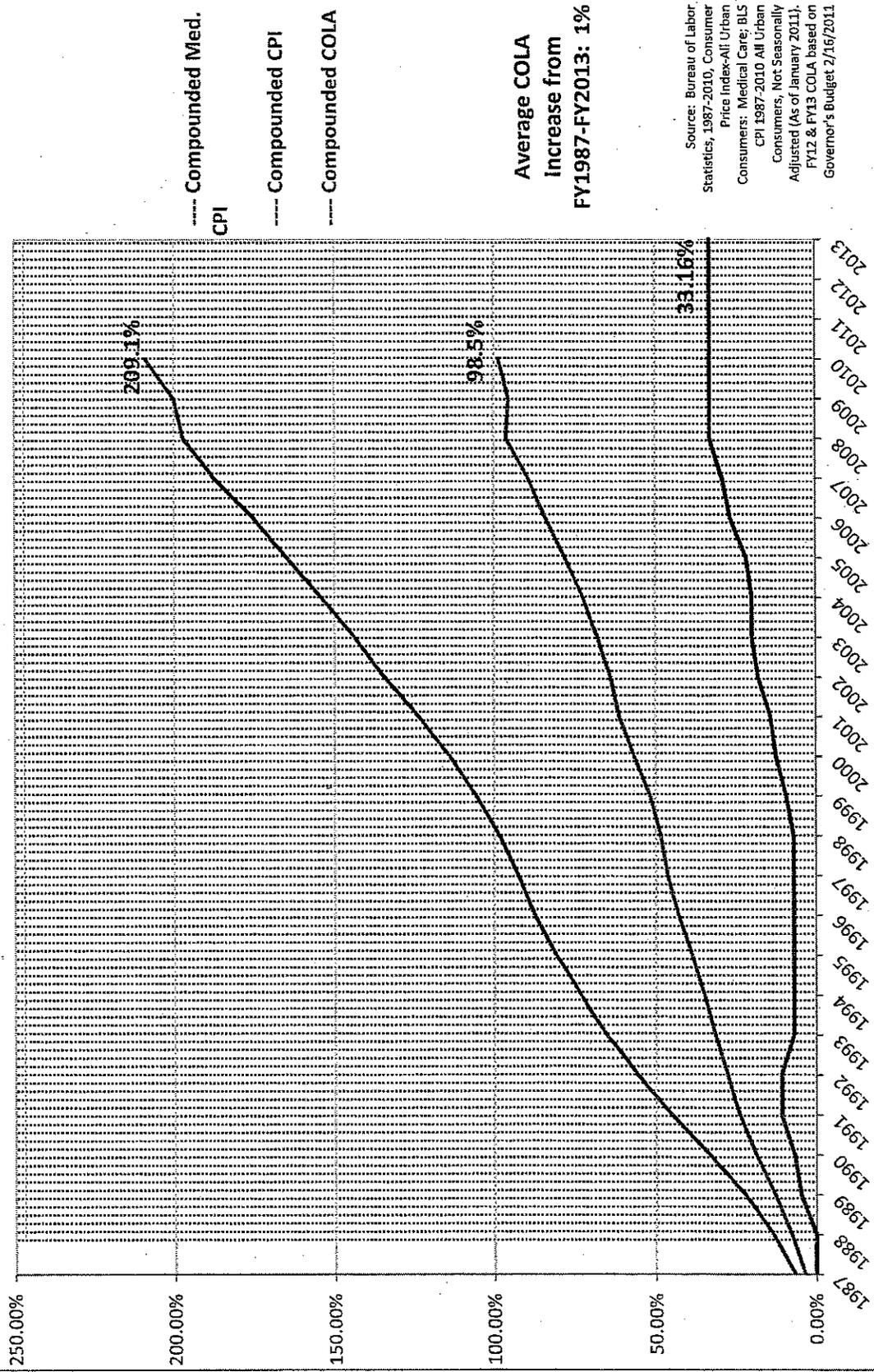
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Compounded COLA vs. Compounded CPI and Medical CPI FY1987-FY2013

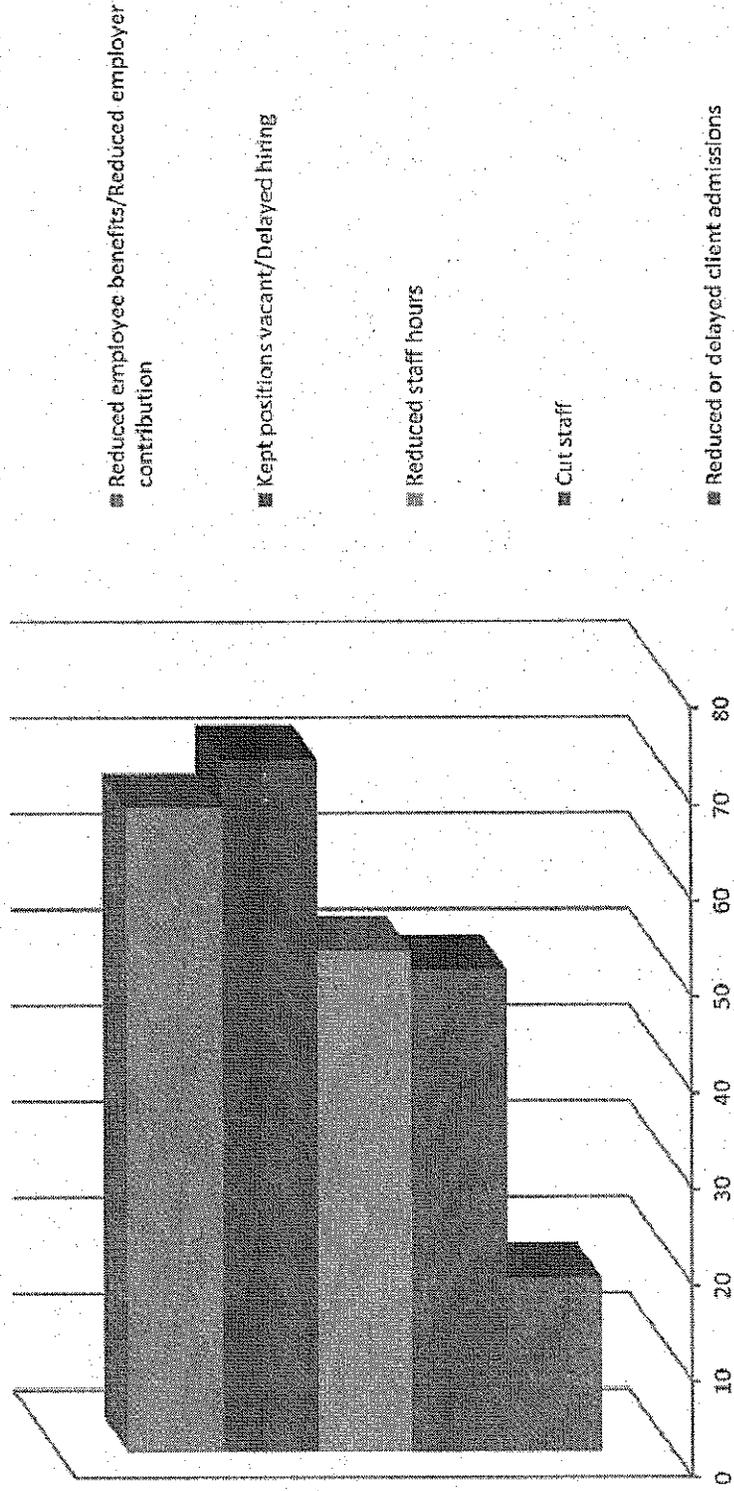


Source: Bureau of Labor Statistics, 1987-2010, Consumer Price Index-All Urban Consumers; Medical Care; BLS CPI 1987-2010 All Urban Consumers, Not Seasonally Adjusted (As of January 2011), FY12 & FY13 COLA based on Governor's Budget 2/16/2011

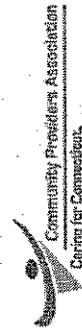
Nonprofit Community-Based Providers

FY11 Cost-Saving Strategies

(Total all agencies n=106)



Data From December 2011 Survey



Connecticut Community Providers Association



Connecticut Association of Nonprofits