



CMHA
Community Mental Health Affiliates

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To: Members, Health and Hospitals Subcommittee
Appropriations Committee of the General Assembly
From: Raymond J. Gorman, President & CEO
Community Mental Health Affiliates
Re: Governor's Proposed Biennial Budget- DMHAS
Date: February 14, 2013

Good evening. My name is Ray Gorman and I am the President & CEO of Community Mental Health Affiliates, a comprehensive mental health center and Local Mental Health Authority. I am also a Board member of the Connecticut Community Providers Association, which represents 120 behavioral health and developmental disability providers in the state.

We have serious concerns about many provisions of this budget as they relate to access to mental health and substance use treatment, and to behavioral health services in schools. Behavioral health providers have experienced an entire decade without appropriate increases to their funding amidst rising demand for services from the expansion of Medicaid, the recession, and the changes in the commercial insurance market. While we appreciate that this year's 1% COLA increase will be annualized, it still leaves our industry with reduced staff, reduced access, and rising operating costs that will continue to erode services. We fully understand the state's fiscal challenges, but as an industry and as a State, we also face the challenge of how to respond to another 50,000 new Medicaid recipients under the Affordable Care Act, with a behavioral health system that cannot meet current demand.

The most puzzling and troubling part of this budget related to behavioral health is the ill-advised reduction of DMHAS grants for mental health and substance use services by approximately 90%, a reduction of 41 million dollars over 2 years.. The Governor's budget also proposes eliminating \$5 million in payment for behavioral health treatment under DSS. In the light of what we have too recently and painfully learned about the lack of access to even the most basic mental health treatment, these combined recommendations make little sense.

These cuts appear to be have been made based upon the erroneous assumption that everyone eligible for coverage on January 1, 2014 under the ACA will be enrolled on that date. That simply will not happen. The cuts also ignore the unreimbursed costs within outpatient services, administration, clinical support, training that staff desperately need, and other overhead expenditures. Medicaid rates for outpatient services only cover 50% to 60% of the cost of providing outpatient behavioral health services.

These cuts show a fundamental lack of awareness of the drivers in the commercial insurance markets—families with decent employer sponsored health insurance benefits have seen their deductibles and co-pays skyrocket. Shall we turn them away because of their inability to pay?

We urge the General Assembly to reject these cuts, and to examine in depth what is needed to assure adequate access to behavioral health services to the people of our state. Thank you.