

**TESTIMONY OF
DAVID KLEIN, PH.D.
BEFORE THE APPROPRIATIONS COMMITTEE**

Friday, February 22, 2013

**HB 6350, AN ACT CONCERNING THE BUDGET FOR THE BIENNIUM ENDING JUNE 30,
2015 AND OTHER PROVISIONS RELATING TO REVENUE**

Good evening, my name is Dr. David Klein. I am a Psychologist and the Chief Operating Officer for Natchaug Hospital, and I am testifying in opposition to HB 6350 and the implementer for Human Services HB 6367 because of their impact on behavioral health services in the State.

Natchaug Hospital provides behavioral health services throughout Eastern Connecticut, including services to children, adolescents and adults. I will focus my testimony on our services to children and adolescents.

There are only five hospitals in Connecticut that provide inpatient behavioral health services to children:

- 1. Yale (including the St. Raphael's campus),
- 2. St. Vincent's in Westport
- 3. St. Francis
- 4. Hartford Hospital, and,
- 5. Natchaug Hospital in Mansfield.

Both Manchester Memorial and Waterbury Hospitals also operate small adolescent units. All of these programs are **terribly underfunded**, in part because the **majority of their child and adolescent patients** are Medicaid eligible, and the **rates of reimbursement for behavioral health inpatient services have remained unchanged for five years, and with this budget proposal, for seven years.**

Natchaug Hospital is one of the most efficient programs in the State, and serves the largest number of children and adolescents with Medicaid coverage of any one campus in the State. Over two thirds of our children and adolescent inpatient days are for Medicaid eligible children and adolescents. Our program **lost \$1.7 million in 2012**. It is likely that the other four hospitals lost even more; this means the underfunding for these programs is well in excess of \$10 to \$12 million.

In this context there is one cut targeted to these seven hospitals that was included in the deficit mitigation plan that we think may have been **inadvertently annualized** in this proposed biennial budget. This is the **pay for performance** program that these seven hospitals have worked with the State

agencies in the Behavioral Health Partnership to implement. I have attached data provided by DSS that shows the impact of this pay for performance program through June 2012.

The pay for performance program provides incentives for effective family engagement, crisis planning to prevent re-hospitalizations, and reduced readmission rates. Since the implementation of the program, **over \$6 million was saved** as fewer children had delays in discharge while they waited for community support and treatment. We saved this amount even though there was an **increase of 21% in** the number of Medicaid children covered during this period, and even though we served 12% more children, thus helping to reduce backlogs in Emergency Departments.

This **pay for performance program cost \$934,000** and was likely inadvertently included in the supplemental hospital payment reductions of \$23.4 million and annualized in this biennial budget. We **would urge you to restore this cut, and to provide for the same increase in behavioral health rates** for other private providers in the biennium. If we are truly concerned about behavioral health services for children, and access to these services, we cannot cut and erode the financial viability of these services even further.

This cut also makes no sense given the increased focus on value and pay for performance initiatives throughout the Medicaid program, and in the Affordable Care Act.

I would also like to briefly comment on **HB 6367 the implementer** for Human Services. **Section 53 eliminates the Behavioral Health Partnership Oversight Council.** We find this most perplexing since this Council has demonstrated that it has worked effectively to bring state agencies, private sector and family members and advocates together to advance effective management and development of behavioral health services. As Senator Harp knows, we had behavioral health services as a sub-committee of the Medicaid Council for over a decade before the legislature established the Behavioral Health Partnership Oversight Council in 2005. This is clearly not about saving money. We would **urge you to reject the repeal of a statute** that has demonstrated its value to Medicaid recipients and to the taxpayers.

Thank you.