



February 22, 2013

To: Members, Health and Hospitals Subcommittee  
Appropriations Committee of the General Assembly

From: Susan Walkama, LCSW President and CEO  
Wheeler Clinic, Inc.

Re: Governor's Proposed Biennium Budget- DCF

Good evening. My name is Susan Walkama and I am the President and Chief Executive Officer of Wheeler Clinic, Inc. and a member of the Connecticut Community Providers Association. Wheeler Clinic is a comprehensive behavioral health, special education and prevention/wellness services provider serving over 30,000 individuals each year in communities across Connecticut. We provide an integrated life span continuum of care for children, families and adults that diverts unnecessary stays in inpatient settings and residential care. We employ 825 clinical and support staff.

I am here to discuss the proposed DCF budget. While we are grateful that the children's behavioral health system has been spared from significant cuts in this proposed budget, I would like to draw your attention to several critical areas requiring further review. (Please note the budget does not outline how this year's rescissions will be addressed.)

Connecticut's system of children's behavioral healthcare is centered on its strong network of child guidance clinics, also known as outpatient psychiatric clinics for children. These clinics provide a wide range of efficient and effective community-based services to children and families in need. Child guidance clinics offer a vital continuum of care to individuals with mental health and/or addiction treatment needs including outpatient, intensive outpatient (IOP), extended day treatment programs (EDT), emergency mobile psychiatric services (EMPS), and an array of intensive, evidence-based in-home services. The recent tragedy in Newtown was and continues to be a painful reminder that there must be an adequately supported and resourced community behavioral health system so that those who need treatment can access it.

It is vital that proposed funding changes within the children's behavioral health system of care may be easily tracked in order to avoid an unintended impact on access. We are therefore concerned about the proposed

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elimination of two line items within the DCF budget which currently reflect funding for outpatient clinics and extended day treatment programs separately. These two separate line items allow for transparent fiscal oversight yet this budget consolidates them into the larger Community KidCare line item which contains funding for many other items. We oppose the consolidation of these two line items in the budget and we request that you continue to keep them separate. Outpatient and extended day treatment are part of the foundation of the children's behavioral health system; we must be able to account for proposed funding reductions in such areas quickly and easily in order to assess the consequences.

The proposed DCF budget also includes savings through enhanced regional service utilization. We have sought additional information about this proposal from the Department. Earlier discussions at DCF's stakeholder group, the Continuum of Care Partnership, seemed to indicate that this proposal related to DCF's recent policy initiative to reduce out of state and in state residential placements and instead serve more children in either biological, kinship, or foster home settings in the community. A critical component of this policy initiative, known as congregate care rightsizing, relies on the assumption that the savings achieved through reduction in more expensive, restrictive services are then reinvested into more cost effective community-based services. The children who were previously in residential settings must be able to easily access behavioral health services in and near their new homes. It is important to clarify from what areas these savings are expected to be made so that it is clear that children and their families will have the wrap around, community-based care they need.

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

Sincerely,



Susan Walkama, LCSW

President and CEO, Wheeler Clinic

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# "We Are A Community - Health, Safety, Wellbeing"

We Are The Safety Net

Caring for Connecticut

Mental Health Services

Developmental Disabilities Services

Substance Abuse Services

Safety net services keeping Connecticut healthy and productive.

500,000+

People Nonprofit Community-based providers serve each year

192,134

Employees in Nonprofit sector in CT<sup>1</sup>

509

Human Service Nonprofits in CT provide government services

## CURRENT AVERAGE WAGES

Average hourly wages at private nonprofit providers<sup>2</sup>

Employment/Day Services Worker	\$14.67
Voc Rehab Counselor	\$18.83
Employment Specialist	\$16.73
Job Coach	\$14.60
Direct Care Staff (at 24-hour site)	\$14.50
Direct Care Staff (not 24-hour site)	\$14.79
Sleeping Staff (3rd Shift)	\$12.98
Awake Staff (3rd Shift)	\$14.21

Hourly wage needed to support Basic Economic Security for workers<sup>3</sup>

With employment-based benefits



1 Worker with no dependents <b>must earn</b>	\$17.61
1 Worker with 1 infant <b>must earn</b>	\$27.19
2 Workers with 1 pre-schooler and 1 school-age child <b>each must earn</b>	\$19.61

HUSKY

22 Nonprofit employers with the highest HUSKY enrollment among their employees and employees' kids:<sup>4</sup>

1,534	employees on HUSKY <sup>5</sup>
1,720	employee kids on HUSKY <sup>6</sup>
1,865	TOTAL employees <sup>6</sup>

\$7,848,133  
Costs to the State<sup>6</sup>

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50,000+

People who will become Medicaid-eligible January 1, 2014

33%

Uninsured non-elderly adults w/Chronic Conditions<sup>7</sup>

THE INFLOX

## COSTS TO THE STATE

STATE-RUN

PRIVATE

25% of DDS clients served in state settings<sup>8</sup>

75% of DDS clients served in privately funded settings<sup>8</sup>

\$313,533 Annual per client cost for FY 2010 at public CLA<sup>9</sup>

\$124,443 Annual per client cost for FY 2010 at private CLA<sup>9</sup>

50% cost of private DD services compared to public DD services<sup>10</sup>

## STRESS POINT

Consumer Price Index Increase FY 2009 through FY 2012 = 7.3%  
Provider Cost-of-Living Increase FY 2009 through FY 2012 = 0

## CHALLENGES

77% Reporting that payments on government contracts do not cover full cost of contracted services<sup>1</sup>

0 Increase in funding for private ICF/MRs and CLAs FY 2001 to FY 2010<sup>2</sup>

66.27% Providers with liquidity ratios that indicate they may have difficulty meeting short-term obligations<sup>3</sup>

73% Nonprofits with budgets of \$1 million or more with deficits in 2009<sup>4</sup>

43% Nonprofits with deficits in 2009<sup>5</sup>

34.95% Nonprofits with recommended operating reserve ratio<sup>6</sup>

- SOURCES
- 1 - Urban Institute
  - 2 - Governor's Nonprofit Cabinet Report 2012
  - 3 - Permanent Commission on the Status of Women - Basic Economic Security Tables
  - 4 - Legislative Program Review and Investigations Committee Study 2011
  - 5 - CT BDL
  - 6 - US DOL
  - 7 - Kaiser FF
  - 8 - OLR
  - 9 - Community Providers Association
  - 10 - CT Voices for Children

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