



WHEELER CLINIC
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Date: March 6, 2015

To: Appropriations Committee

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

**Re: Department of Mental Health and Addictions Proposed Budget
Transfer of Birth to Three to the Office of Early Childhood**

Good afternoon Senator Bye, Representative Walker and Honorable members of the Appropriations Committee. My name is Susan Walkama, and I am the President and CEO of Wheeler Clinic. I would like to thank you for providing this opportunity to speak today on behalf of my colleagues and the more than 19,000 individuals we serve each year.

Wheeler provides a comprehensive continuum of mental health and substance abuse recovery, primary care, community justice, education, child welfare, early childhood and prevention and wellness services across Connecticut. The individuals and families who come to us for care include some of the most vulnerable populations in our state including individuals with serious and frequently co-occurring mental illness and addiction, co-morbid medical disorders and histories of exposure to trauma and violence. The services we provide are highly effective in helping these individuals and families function successfully in the community, diverting emergency room and inpatient hospitalizations, and reducing truancy and recidivism, but these services are also chronically underfunded.

We are extremely concerned that the \$25,000,000 cut from the Department of Mental Health and Addiction Service outpatient clinics has not been restored in this budget. (See attached Analysis of the DMHAS Grant Accounts: FY12 thru FY15) In addition, the increase to the adult behavioral health Medicaid rates promised in the last legislative session has never been implemented by the Department of Social Services. Current Medicaid rates do not cover the cost of providing outpatient services. For Wheeler, between Medicaid reimbursement rates and grant reductions of anywhere between \$500,000 and \$700,000, Wheeler loses money for each of the 39,000 adult treatment sessions we provide on an annual basis. The table below reflects unit cost losses for each service modality.

Service Modality	Loss Per Unit of Care
Psychiatric Evaluation	\$109.33
Medication Management	\$50.79
Initial Evaluation	\$31.03
Individual	\$23.36

These funding reductions and resulting financial losses will lead to a proportional reduction in access to critically needed and effective services. We will be forced to restrict access to care for those in the greatest need. The loss of DMHAS grants funds combined with Medicaid rate reductions, will force Wheeler to take the following actions:

- Close admissions to all uninsured individuals. In the last year we served over 500 uninsured individuals who have not enrolled in insurance despite on-site assistance at all of our outpatient locations. Some may qualify for Husky and refuse to enroll, others are very low income and see the insurance options as too expensive and others do not follow through with required paperwork.
- Reduce overall access to outpatient services proportionate to the cuts and our ability to absorb them. Given the demand for services, this will impact hundreds of individuals and families in the central Connecticut and Hartford area. Wheeler is a large provider and employer in these regions of the state. In the last two years, we have experienced a 40% increase in demand for our adult outpatient services, predominately by individuals insured under Medicaid.
- Strategic workforce reductions to address loss in funding.

This will also impact children. Many of the adult clients we work with are the parents or guardians of children involved in the child welfare system and are referred to Wheeler for domestic violence treatment, addiction and mental health care.

Individuals and families in need of critical community-based services will not simply disappear if care is no longer available. Instead, they will have to seek exponentially more expensive services in emergency departments and hospitals, or worse, seek no help at all. They may end up in jails, become homeless, more deeply involved in the child welfare system, or become a danger to themselves or others. The long-term costs to the state and to individuals and families are untenable. These are the worst cuts to mental health services in Connecticut in a generation and shockingly only two years after Sandy Hook. The promises and pledges made in the wake of that tragedy seem to have evaporated.

In the DDS budget, we oppose the transfer of Birth to Three to the Office of Early Childhood (OEC). Consolidating all early childhood services into one state agency is exceptionally important and will result in better care and support for families. However, the transfer of Birth to Three is taking place at the same time a critical and still undefined change is occurring in how the state bills for Medicaid reimbursable services for this service type. Changes in the Medicaid reimbursement methodology from a bundled rate to fee-for-service must be analyzed and planned for prior to any shift in this service type from DDS to OEC. The high quality service delivery model currently provided to families will be compromised by this rate methodology change and the financial stability of providers seriously threatened in the absence of a meaningful and planned transition process.

We respectfully request that the Appropriations Committee do its best not to gut the mental health system with a combination of Medicaid rate reductions and grant eliminations and analyze the impact of changes in Medicaid reimbursement methodology prior to transferring Birth to Three from DDS to OEC. I am happy to answer any questions.

CCPA Analysis of the DMHAS Grant Accounts: FY12 thru FY15

Department of Mental Health and Addiction Services								Governor's Proposed FY16 and FY17			
Grants	FY12	FY13	Difference	FY14	Difference	FY15	Difference	FY16	Difference	FY17	Difference
Substance Abuse	24,897,766	24,929,500	31,734	20,605,434	(4,324,066)	17,567,934	(3,037,500)	17,567,934	0	17,567,934	0
Mental Health Services	83,763,716	76,475,893	(7,287,823)	66,134,714	(10,341,179)	58,909,714	(7,225,000)	58,909,714	0	58,325,041	(584,673)
<i>Tobacco Trust Fund Grant</i>						10,000,000		0	(10,000,000)	0	0
Total	108,661,482	101,405,393	(7,256,089)	86,740,148	(14,665,245)	86,477,648	(262,500)	76,477,648	(10,000,000)	75,892,975	(584,673)
Six Year Cumulative Reduction in Grant Accounts								(32,768,507)			
MLIA/ACA Related Reductions											
Substance Abuse				(4,537,500)		(7,575,000)					
Mental Health Services				(10,725,000)		(17,950,000)					
Total				(15,262,500)		(25,525,000)					

Provided by: Cain Associates LLC