



GILEAD

COMMUNITY SERVICES, INC. • Serving Middlesex County

Improving Lives, Building Futures

Testimony Submitted to the Appropriations Committee:

H.B. No. 6824: An Act Concerning The State Budget For The Biennium Ending June Thirtieth 2017,
And Making Appropriations Therefor And Other Provisions Related To Revenue

Submitted By: Daniel Osborne, CEO, Gilead Community Services

March 6th, 2015

Senator Bye, Representative Walker and distinguished members of the Appropriations Committee, my name is Daniel Osborne. I am the CEO of Gilead Community Services, a Nonprofit Behavioral Healthcare Agency that provides a continuum of Behavioral Healthcare services including psychiatry, individual & group therapy, case management, supported apartment programming, fountain house model social rehabilitation services and a variety of specialized residential treatment options throughout Middlesex County. Gilead serves over 600 individuals each year who experience significant symptoms resulting from a mental health condition. Over its 45 year history, Gilead has helped thousands of people live productive and meaningful lives through the wide variety of services and programs that we offer. Most importantly, those of us who work at Gilead have been touched and changed by the amazing and wonderful people that we serve! We are among hundreds of member agencies of the CT Association of Nonprofits (CT Nonprofits) and CT Community Providers Association (CCPA).

I would like to share my concerns with H.B. 6824, An Act Concerning The State Budget For The Biennium Ending June Thirtieth 2017, And Making Appropriations Therefor And Other Provisions Related To Revenue. In particular, I wanted to express my sincere and deep concerns about the funding reductions to the Department of Mental Health and Addiction Services (DMHAS). The proposed cuts to DMHAS mark approximately \$32 million worth of reductions since 2012. This funding reduction would threaten critical services to individuals and families in our service area. The reason that I am highlighting the \$32 million in cuts since 2012 is because a large majority of these cuts have not yet been fully experienced by private providers like Gilead. The DMHAS grant accounts saw a reduction of more than \$25 million in the last biennial budget. However, a majority of these cuts were not passed along to private providers due to a one time supplementary funding of \$10 million from the Tobacco Trust Fund along with efforts by DMHAS to reduce the remaining cuts to private providers. With the budget as currently proposed, and no indication of supplementary funding to offset this cut, the \$25 million cut from the last biennial budget will impact private providers directly with devastating results.

My urgent message to this committee has three parts;

First, Our Services Have Already Been Reduced! Due to budget cuts over recent years, my organization has been forced to reduce capacity! We are serving fewer individuals at a time when the need in our community for mental health services is rising. Specifically, we have recently been forced to reduce our capacity at our Rehab Center that provides psychosocial rehabilitation through a fountain house model. This has been purely a cost savings measure. Based on year after year of flat funding and rescissions, Gilead has become as fiscally efficient as it can be. We have done everything that we can do to prevent service reductions, but we are simply out of options. Future funding cuts will result in corresponding service reductions.

Something is wrong with this picture!...because People Matter!!!

Second, Our Staff Deserve Better! Gilead employs over 200 Amazing and Compassionate Staff. Unfortunately, Gilead has been unable to provide adequate salary increases to these extraordinary staff that provide essential services to the most vulnerable individuals in our society. I am here today on behalf of these



GILEAD

COMMUNITY SERVICES, INC. • Serving Middlesex County

Improving Lives, Building Futures

amazing staff members (many of whom 1199 union staff). I value all of our staff because they are well trained, bright and committed to our mission. They are the key ingredient to the high quality services that we offer. We could not provide the essential life saving services that we deliver each and every day if it was not for these outstanding individuals. Unfortunately, I will lose dozens of staff members each year who will seek better paying positions in order to prepare for their future and take care of their families.

Something is wrong with this picture!...because People Matter!!!

And Finally, Our Clients Deserve Better! The current budget proposal threatens the sustainability of all three of our Group Homes, our Apartment Programs, our ACT Team (intensive outpatient services), our Outpatient Clinics and our Fountain House Model Social Rehabilitation Program at their current census. Budget cuts to the DMHAS Managed Service System will force us to reduce staffing within these programs and reduce our census. This means that individuals in need of this care will either not receive the care (resulting in homelessness and other high risk scenarios) or they will turn to more expensive options for the care (Police, Emergency Rooms, State Services, etc.). In addition to this, inadequate Medicaid Reimbursement rates, which will continue according to this budget proposal, threaten our ability to continue to serve the 250+ Medicaid recipients who receive services through our Outpatient Clinic. As pointed out in the CCPA report prepared by MTM Services “with inadequate reimbursement rates [Medicaid], the state not only fails to maximize its federal matching funds, it risks the provision of some of the most highly utilized, critical behavioral health services.” The services that this report is referring to include psychiatry, psychotherapy, and family psychotherapy. These are essential services that our clients and their families need to secure healthy and productive futures.

Something is wrong with this picture!...because People Matter!!!

The proposed cuts, coupled with four rounds of rescissions/budget modifications dating back to late 2012, have put enormous pressure onto an already severely depleted system. The reality is that nonprofit providers have been pushed to our breaking point due to the lack of investment over the past two decades. Chronic underfunding has already forced many nonprofits to close, compete against one another for scarce resources, layoff employees, reduce benefit packages; altogether creating a win or lose system that weakens the entire nonprofit sector and threatens its sustainability.

As members of the Appropriations Committee work toward creating your ‘Recommended Budget’ for SFY16 and 17, I urge you to restore these harmful cuts to ensure critical programs and services are available to the residents of Connecticut. I’d also like to respectfully remind you that investing in the nonprofit sector will improve service delivery, increase economic activity, and save taxpayer money; a “win-win” for policymakers working to strengthen the economy, the nonprofit workforce trying to make ends meet, and most importantly, the clients and their families who count-on efficient, cost-effective, and high-quality services.

Thank you for your time and consideration. Please do not hesitate to contact me with any questions, or for additional information.

Daniel Osborne
Gilead Community Services
222 Main Street Extension
Middletown, CT 06457
860-343-5300
dosborne@gileadcs.org