



Testimony of

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*Regarding the Human Services Provisions
of Governor Malloy's Budget Proposal*
Appropriations Committee

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Thank you for the opportunity to testify about the Human Services provisions of Governor Malloy's budget proposal, which will impact hundreds of thousands of Connecticut residents.

On behalf of Fair Haven Community Health Center, which serves over 16,000 low income, primarily minority patients each year, I offer comments on the following:

Block Granting of State Agencies: I strongly oppose the governor's proposal to block grant certain funding streams to state agencies, which would shift the responsibility of appropriating taxpayer money from the legislative branch to the executive branch. As this Committee knows, the legislature has direct accountability to its constituents, and hearings like these are a testament to the importance of public input in crafting state budgets. Please do not accept this proposal, and instead, allow the legislature to retain the responsibility of creating the state budget.

Reduction in funding to FQHCs: The State of Connecticut has been supportive of federally-qualified health centers (FQHCs), which, altogether, provide over 350,000 state residents with high-quality primary, dental and behavioral health care. In prior years, this financial support has come in the form of state grants from the Department of Public Health (DPH). Last year, the legislature shifted most of those funds to the Department of Social Services (DSS), in order to receive a federal match. Unfortunately, in the face of the dire fiscal realities facing CT, this sum was reduced in the transfer. Additionally, the formula chosen by DSS to allocate these funds created sharp reductions in allocations for certain centers. Fair Haven Community Health Center is slated for greater than a 50% cut in this funding source.

Unfortunately, Governor Malloy now proposes to reduce those DSS funds by half. By removing \$775,000 from the state budget, the pot of funds for FQHCs will be reduced from \$4 million to \$2 million. For Fair Haven Community Health Center, this means the following:

- In FY15, we were slated to receive \$592,000 in funding from DPH for uncompensated care. More than 25% of our 16,000+ patients are uninsured and the vast majority are uninsurable. This funding was critical in allowing us to care for these patients.
- At the start of FY 16, that figure was reduced to \$268,902, because of changes made by DSS when the funds were shifted to that agency. We have yet to see any of that money.
- If the Governor's recommendation is accepted, the figure will be reduced further to \$132,450, an overall cut of ~\$460,000 or just over 3% of our annual budget. That is a huge hit for an organization that cares for such a large number of uninsured patients, providing all primary care, behavioral health care and dental care.

Inequitable Medicaid reimbursement rates: Lastly, while this does not go directly to the Governor's proposed budget, I want to take this opportunity to ask the legislature to take up the issue of how Community Health Centers are paid by Medicaid. There are currently 16 Community Health Centers in CT and there are 16 different rates of payment. Fair Haven Community Health Center currently receives one of the lowest. In fact, two new centers were created this past year, are much smaller than we, yet they are paid a higher rate to deliver the same type of care to a similar patient population. The differences in rates amount to hundreds of thousands of dollars difference in how centers are paid. I assure you that the cost of providing care is no different between cities such as Bridgeport, New Haven and Hartford, yet the differential in payment is staggering. I urge the legislature to look critically at this issue during the current legislative session.

Thank you for your time