



Testimony Opposing Reduced Appropriations for the Departments of Public Health and Mental Health and Addiction Services

H.B. 5044, An Act Making Adjustments to State Expenditures for the
Fiscal Year Ending June 30, 2017
Sharon D. Langer, M.Ed., J.D.
Appropriations Committee
February 18, 2016

Senator Bye, Representative Walker and members of the Appropriations Committee:

I am the Acting Executive Director and Advocacy Director at Connecticut Voices for Children, a public education and research-based advocacy organization that works statewide to promote the well-being of Connecticut's children, youth, and families.

I am also co-chairperson of the Connecticut Behavioral Health Partnership Oversight Council and have been a member of the Council since its inception almost ten years ago. The Council advises the partnership agencies – Departments of Social Services, Children and Families and Mental Health and Addiction Services – about matters relating to the mental health and substance abuse services for the entire HUSKY population, which numbers over 700,000 adults and children on Medicaid and CHIP.

We at Connecticut Voices for Children are cognizant of the difficult task before you given the ongoing fiscal challenges faced by the state and recently outlined by the Governor and the Secretary of the Office of Policy Management. We very much appreciate this Committee's efforts last year to maintain support for essential programs and services for children and families.

Many of the reductions fall heavily on children and families. Overall the Governor's budget proposal cuts investments in children and families below both their FY 2016 amount as well as below the amount appropriated for FY 2017 in the biennial budget produced last year. According to our recent analysis of the Governor's proposed budget for FY 2017, the cuts will impact the wellbeing of Connecticut's children, with an estimated reduction of \$198.7 million (3.3 percent of the "Children's Budget") compared to an overall decrease of 2.9 percent in the rest of General Fund spending.¹

We are here today to oppose cuts to the Departments of Public Health and Mental Health and Addiction Services. In particular, we have concerns about cutting the following health services and programs:

- **Reducing funding for Federally Qualified Health Centers.** The Governor's proposal eliminates \$422,327 in the Department of Public Health budget. This is in addition to the cut of \$775,000 (state funding) in the Department of Social Services budget for a total reduction of \$1.9 million with the loss of federal revenue. The health centers are a leading provider of health services for HUSKY members, raising the question of how the combined cuts will impact access to services for children and families in HUSKY.
- **Reducing Funding for School-Based Health Centers (SBHCs).** The proposed budget would decrease funding to the SBHCs by \$477,431, and an additional 5.75 percent

cut for a total reduction of about \$1.25 million. SBHCs provide primary care, including mental health (41 percent of all visits) and oral health services to tens of thousands of school-age children and it is likely that these reductions will lead to fewer children receiving early intervention and cost-effective services. According to Connecticut Association of School Based Health Centers, although some services are reimbursed by HUSKY or private insurance there are a multitude of barriers that prevent the Centers from receiving third party reimbursement, including high deductibles under private plans, non-coverage for prevention and care coordination, and denial of mental health visits.²

- **Eliminating \$700,000 for asthma programs that would otherwise have been funded out of the Tobacco and Health Trust Fund.** Instead the money will be included in the General Fund as “revenue.” This cut eliminates the evidence-based “Easy Breathing Program,” which helps families manage their children’s asthma and reduce unnecessary medical expenses, with a special focus on low-income children and children on the HUSKY program.
- **Reducing DMHAS funding by more than \$70.5 million.** This deep cut includes the potential loss of almost \$16 million in grant funding for mental health and substance abuse services. Because of your efforts last session grant funding was restored. It is again in jeopardy under the Governor’s proposed changes to the FY 17 budget.

In addition, many of the line items within each agency were consolidated into a fund called “Agency Operations,” which was then cut by 5.75 percent in most agencies. It is unclear whether cuts would be evenly distributed across existing programs or some programs eliminated entirely without legislative oversight.

Within the Department of Mental Health and Addiction Services, for example, almost twenty five programs and services – virtually every line item in the agency’s budget – are consolidated into “Agency Operating Funds” and include Young Adult Services, Grants for Substance Abuse, Grants or Mental Health Services, and Behavioral Health Medications, Housing Supports and Services.

Within the Department of Public Health many programs are also rolled into “Agency Operating Funds,” including Children’s Health Initiatives, Childhood Lead Poisoning, Children with Special Health Care Needs, and Community Health Services. In addition, other programs are consolidated in the Insurance Fund, including Breast and Cervical Cancer Detection and Treatment, AIDS Services, and Immunization Services. In sum, virtually every line item under the DPH budget is consolidated in one of these two Funds.

As we stated in our recent report on the impact of the budget on children and families, this decision to “consolidate” so many line items in an agency budget “reduces transparency and accountability in the budget by masking the impact on individual line items. Under this change, an agency head could cut a program entirely without any legislative oversight, a worrisome precedent to set. While it may make sense to evaluate whether particular programs and services as currently configured are meeting the needs of state residents, without knowing how that assessment will take place, lawmakers and the public are shut-out of the process. As a result, we oppose the proposed consolidation of programs and services under Agency Operating Funds.”³

We also point out in our overall budget analysis report that the Governor’s proposal no longer contains a comparison to “current services”:

“Current services reflect the cost of providing the same level of services for each line item given routine changes such as inflation and caseload growth. In other words, a program could be expected to cost more each year to provide the same degree of services, and the current services estimate is meant to reflect that change. The Governor argues that using current services as a baseline for appropriations *overestimates* the cost of providing services by failing to account for efficiency savings and assuming unchecked spending growth; it may very well be the case that the cuts described [above] are an *underestimate* since they do not take into account annual changes like inflation. To illustrate, while the Governor recommends \$569.5 million in cuts from the budget that was enacted last year, this actually represents a cut of \$722.1 million from the current services budget.”⁴

Thank you for this opportunity to testify regarding the Governor’s Proposed Budget for the Departments of Public Health and Mental Health and Addiction Services.

Please feel free to contact me if you have questions or need additional information. I can be reached at slanger@ctvoices.org or (203) 498-4240 (x 121).

¹ Defiesta, N. et al., *Impact of the Governor’s Proposed Budget FY 2017 on Children and Families*, (February 2016), Retrieved from <http://www.ctvoices.org/sites/default/files/bud16govbudgetanalysisfy17.pdf> .

² Communication with Jesse White-Frese, Executive Director, Connecticut Association of School Based Health Centers, February 18, 2016.

³ Defiesta, N. et al, *supra*.

⁴ *Id.*