To: Members of the Appropriations Committee  
From: Roberta J. Cook, President and CEO  
Re: Appropriations Committee Budget Hearings: DMHAS  
Date: March 1, 2019

Good evening Senator Osten, Representative Walker, Senator Formica, Representative Lavielle and distinguished members of the Appropriations Committee, I thank you for your consideration of my testimony. My name is Roberta Cook and I am the President and CEO of BHcare, one of seven private nonprofit Local Mental Health Authorities in CT dedicated to serving individuals with the most serious mental illnesses and substance use disorders.

I am writing today in response to H.B. 7148 An Act Concerning the State Budget for the Biennium Ending June Thirtieth, 2021, and Making Appropriations Therefor—specifically, the budget for DMHAS.

BHcare provides mental health treatment for more than 3,200 Connecticut residents who live in the Greater New Haven, Lower Naugatuck Valley and Shoreline communities. These individuals are struggling with chronic disorders such as schizophrenia, bipolar disorder and major depression. These illnesses are pervasive and if left untreated can lead to an increase in devastating symptoms, psychiatric crises, and result in public health and safety hazards. Community-based services allow these individuals to live safely and independently in the community.

Year-after-year of state budget crises have put increasing pressure our community nonprofits. Since 2015, BHcare has suffered more than $1 million in cuts to its DMHAS contracts. Those cuts resulted in a 15 percent decrease in total served; nearly 500 adults with serious and persistent mental illness are now without the treatment and wraparound services they need to live healthy and independent lives.

I appreciate that in the face of another difficult budget year Governor Lamont has sought to limit the budget impact on people served by BHcare, and other nonprofits. But after so many years of difficult budgets, there are more people to serve and less resources to provide for them. I’m asking you to build upon the Governor’s proposals, and fund nonprofits so they can continue providing the important work that makes Connecticut a better place to live and work.

As you know, more than half of the state budget comprises “fixed costs” which are not subject to cuts. That percentage grows each year, and we appreciate the Governor’s tackling those costs. But funding for nonprofits is in whatever remains. The combination of ongoing budget shortfalls and growing fixed costs mean community nonprofits are dependent on a shrinking piece of a diminishing pie.

Nonprofits are dependent on the State for funding and have limited options in the face of budget shortfalls. We can’t raise taxes or charges. This is a model that cannot sustain itself—and it puts Connecticut’s quality-of-life at risk.

Nonprofits like BHcare can provide health and human services to residents of Connecticut at a significant savings while continuing to provide high quality and effective care. Our many years of experience, our professional and highly trained staff, and our wraparound and holistic approach are best practice in behavioral health and the most efficient and effective way to treat adults with serious and persistent mental illness and addiction disorders.
I support the Governor’s proposal to leverage the expertise of its nonprofit partners and convert various state-operated DMHAS services to the nonprofit sector, and I ask you to go further and convert more services.

- There are 13 Local Mental Health Authorities (LMHAs) in Connecticut; seven of them are community providers and six are state-operated.
- The per-patient cost of state-operated LMHAs is more than double the cost of private LMHAs.
  - The average cost-per-client for state-operated LMHAs in FY16/17 was $12,638 per year. In private LMHAs, the average annual cost-per-client was just $5,330.
  - State-operated LMHAs are valuable partners, however the state can save more than $7,000 per client per year if it converted some of the services provided by the state-operated LMHAs to nonprofit organizations.
  - State-operated LMHAs served almost 14,000 clients FY16, converting some of those services to nonprofit providers—like outpatient treatment, and community support services—can realize a savings in the tens of millions of dollars.

LMHAs like BHcare are nationally accredited and our services are of the highest quality, they are client-driven, and outcome driven. BHcare cannot sustain further cuts, however we can help the State save money and expand the reach of its very limited dollars.

Nonprofits like BHcare are both effective and efficient. We are innovative, economic drivers and with the right investment from the State of CT, we can build a healthier and safer community while maximizing the State’s limited funding.