



**GILEAD
COMMUNITY SERVICES, INC.**

"Improving Lives, Building Futures"

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January 29, 2013

Testimony to the Mental Health Services Working Group

Barry Simon, CEO, Gilead Community Services, Inc.

Good afternoon members of the Mental Health Services Working Group. My name is Barry Simon and I am the CEO of Gilead Community Services. We provide high quality health and human services to almost 600 children and adults employing 250 people. I am also the co chair of the Behavioral Health division of the CT Association of Nonprofits which has over 400 members, serving over half a million people, and 11% of CT's workforce.

Gilead has been a part of the public/private partnership in the Community healthcare system for 45 years. We and all the other nonprofit community providers are part of the safety net that helps people live as full a life as possible. The terrible events that occurred at the Sandy Hook elementary school go far beyond what we traditionally think about when we think of "mental health" services. They go to the heart of how as a society we regard violence, and how as a society we also regard those who may need to seek help for a behavioral health condition. We first and foremost must address the "shame and blame" from needing mental health and/or substance use treatment, and emphasizes early identification and treatment how to teach our children, our families, our citizens how to resolve conflict without resorting to violence.

My point is simple Mental Health Treatment is a good Investment, The Safety Net services need to be fully funded, the services work...when they are there, and our services are good fiscal management compared to the cost of crisis and long term services.

In more detail, the State asks us to deliver services, but it often fails to give adequate funding or the backing needed to provide the services. Our clients need the services we offer in order to live productive, fulfilling and healthy lives. The services we provide are essential services. Again, I want to thank everyone for recognizing the importance of the Safety net and the need to modernize but, as we use more resources for administrative burden and increased costs of doing business, there are less direct services delivered to our clients... and as has been a part of my testimony for 19 years there will be significant consequences.

The community provider system is a cost effective means of providing vital services that are an integral part of the core mission of government. I am here today on behalf of our clients, the incredible staff (part of which are 1199 union staff) and hundreds of thousands of individuals served by the nonprofit community provider system to ask that you look to strengthening the community provider system as a way of addressing aspects of the growing fiscal crisis and provide needed services. I am here to tell you that we provide excellent care to our clients that saves the State money and creates jobs as an alternative to more costly and restrictive levels of care.

Now, is a critical moment in time, higher costs, more regulation, and the lack of state support mean program and service reductions at the very moment we should be looking for less costly and more productive alternatives. I can say the system of care is at risk. As you know, there has been no COLA for many years for any state funded community provider contracts, coupled with decades of inadequate COLAs (see attached), simply does not address our ever increasing operating costs and has forced the reduction of services. As healthcare providers our costs continue to rise and we need your help in providing relief to our already overstretched budgets. When you flat line a system of care for decades, it will flat line!

Programs have closed in the last few years and will continue to do so – this is not a false alarm (see attached). As an agency we have closed a program and made reductions in others due to the short sighted approach to state budgeting which ultimately leads to dire consequences and increased costs. We are currently contemplating decreasing more programs and reducing more staff to cover the growing deficit created by years of stagnant funding. We have done our fair share to help out during the budget crisis in good times and in bad, at times I just shake my head in wonderment.

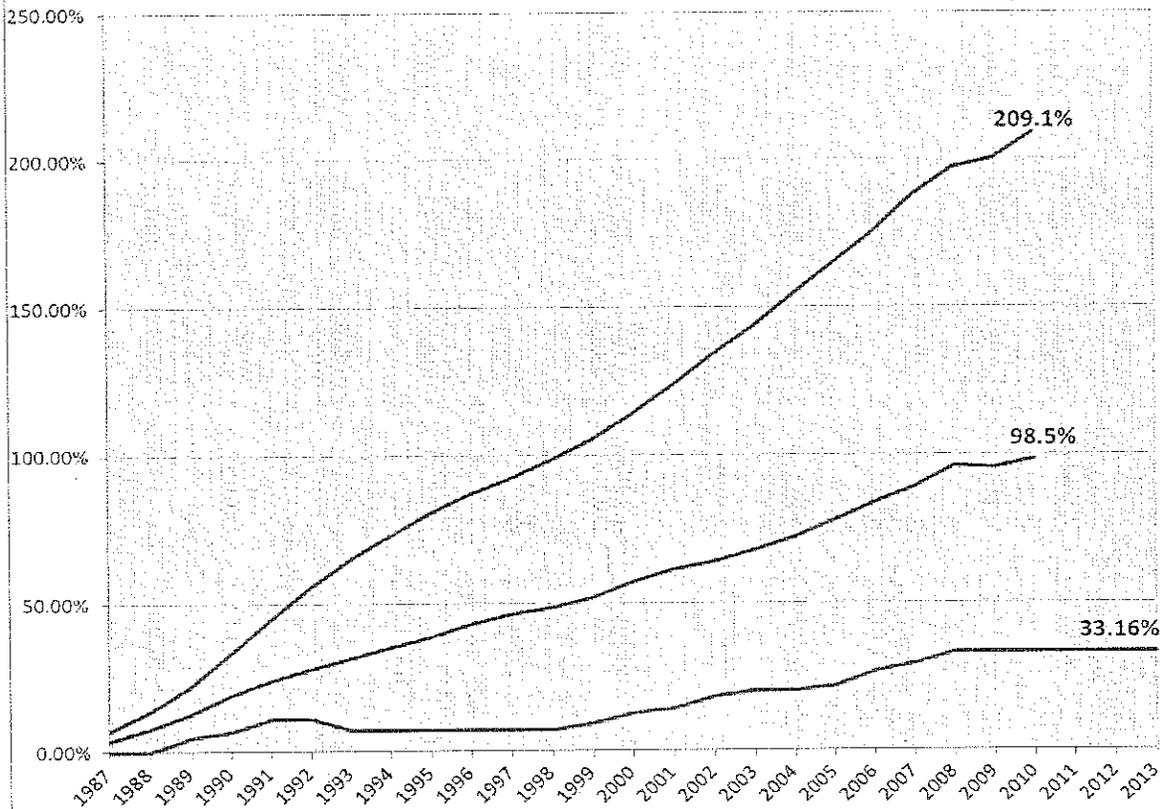
We all know that funding issues create staffing issues. We know that when individuals with a chronic illness do not receive proper treatment they are likely to end up in emergency rooms, prisons or more expensive and less appropriate residential settings like nursing homes, thus costing the State even more money.

Nonprofit Providers are part of the solution for the future of the service delivery system and preserving the investment made in quality, cost effective, community care. We support the increased funding for discharge and diversion services, non-reimbursable costs under the Medicaid Adult Rehab Options, and increased community placements for individuals with traumatic brain injury or acquired brain injury (TBI/ABI). We thank Commissioner Rehmer for her support in ensuring that in these difficult fiscal times cuts to nonprofit providers are minimized.

Our Agency and others like us, the employees, and the clients we serve need this systemic problem fixed. Given adequate support, we have provided the needed services; which saves the State money, provides people with independence, and creates jobs.

I thank you for your time.

Compounded COLA (33.16%) vs. Compounded CPI (98.5%) and Medical CPI (209.1%) FY1987-FY2013



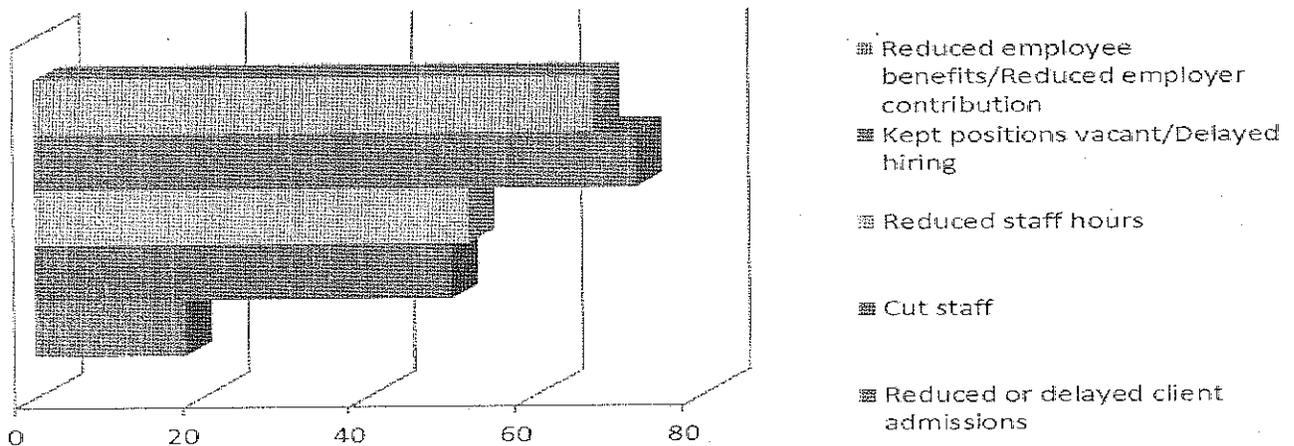
Average COLA Increase from FY1987-FY2013: 1%

Source: Bureau of Labor Statistics
1987-2010, Consumer Price Index-All Urban Consumers; Medical Care; BLS
CPI 1987-2010 All Urban Consumers
Not Seasonally Adjusted (As of January 2011)

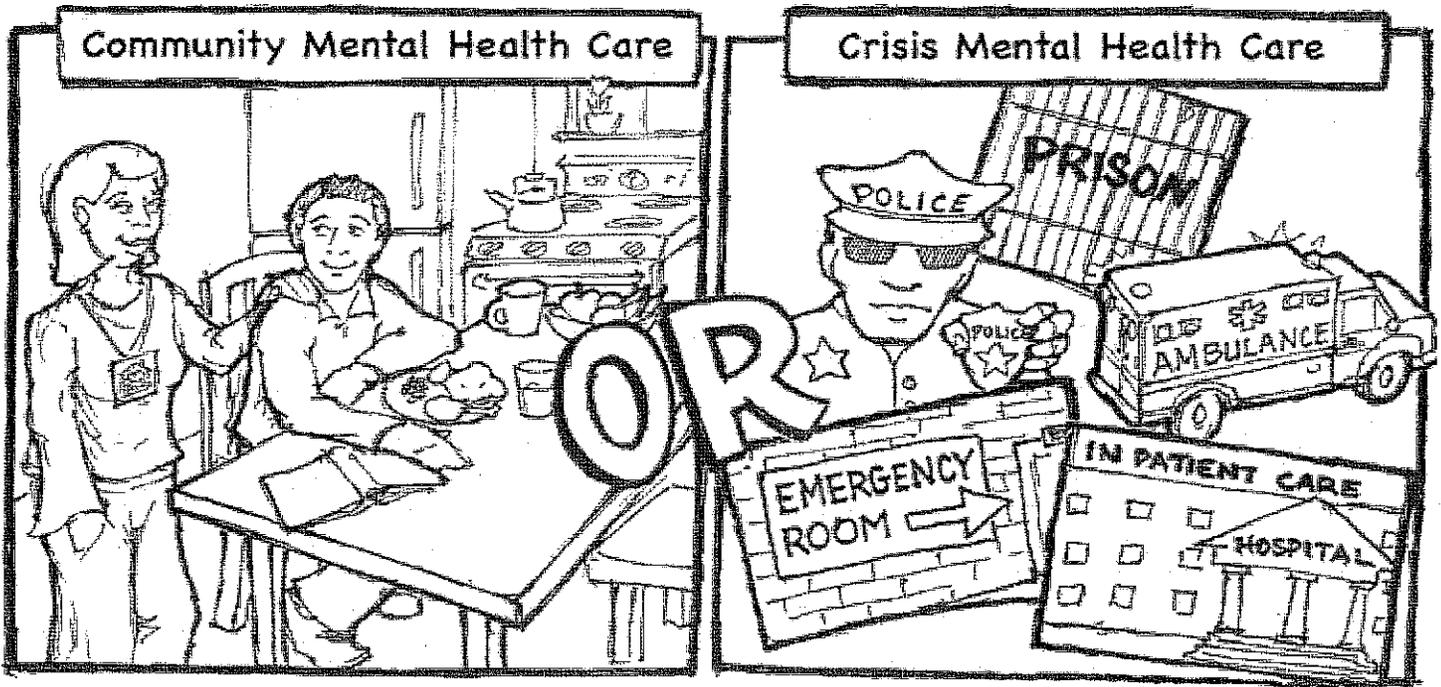
In a recent joint survey completed by CT Nonprofits and CCPA of their memberships, when asked what cost-saving mechanisms they implemented during FY11 in response to three years of no COLAs, the majority of respondents reported that their four main methods of coping with underfunding were a reduction to employee benefits, keeping positions vacant, delaying hiring, and cutting staff.

FY11 Cost-Saving Strategies

(Total all agencies n=106)



Source - CT Nonprofits/CCPA Joint Member Survey; December 2011



\$125,000/yr*

\$400,000/yr*

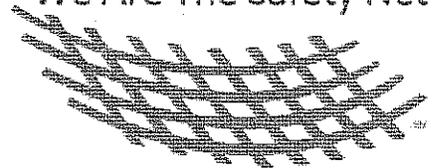
COMMUNITY SERVICES

Are a Good Investment

Fully fund the safety net

It works . . . if it's there!

We Are The Safety Net



Caring for Connecticut

*Cost per person per year for fully staffed supported apartment care vs. emergency and in-patient care.