

Governor Rell's Economic Strategic Plan Public Hearing

January 8, 2008

Southern CT State University

Good Evening. I am Barry Kasdan, President/CEO, of Bridges...A Community Support System Inc. located in Milford serving Milford, West Haven, Orange and surrounding communities. We employ over 150 staff, serve over 5000 people annually, have a budget of \$11.5 M and have a 28 member Board of Directors who represent various industries and businesses in this area.

In addition to representing Bridges I am also representing the Connecticut Community Providers Association (CCPA), a statewide trade association that represents organizations that provide services and supports for children and adults with disabilities and special needs, including people with substance use disorders, mental illness, developmental and physical disabilities. CCPA is the lead advocate for rehabilitation and behavioral health service providers, supporting services for people with disabilities and special needs at the state legislature and with state agencies.

Connecticut Community providers serve nearly half a million people every year with disabilities and other significant needs in community-based agencies. Services include day programs and group homes for people with mental illness and mental retardation, substance abuse and mental health outpatient treatment, homeless shelters and shelters for victims of domestic abuse, juvenile justice and alternative incarceration programs. In every one of Connecticut's 169 cities and towns, community providers are making a tremendous difference in the lives of people with disabilities and special needs — stretching limited resources and providing people with



Providing Behavioral Health Services to Milford, Orange and West Haven.



the help and support they need to live more fulfilling and productive lives. Community providers have been a key part of the states economic health now and in the future.

We are an essential industry that assures that tens of thousands of adults who deal with the daily challenges of depression and alcoholism are in recovery and go to work every day. We assure tens of thousands of children and youth with developmental disabilities and mental illness can live at home and go to school on a daily basis. We keep thousands of adults and children out emergency rooms and hospitals. Consider the economic impact on our communities and the state when you consider the fact that 1 out of every 4 adults and families is dealing with a mental health and addictions problem. In short our industry helps maintain the health of Connecticut's work force, and helps to drive and sustain the economic engine of our state.

As Community Providers we deliver vital services to the state at half of what it would cost for the state to provide those services directly. Private providers are an efficient and effective means of providing essential services to the state's most vulnerable citizens.

However, historic under-funding jeopardizes the availability and quality of services, causing people in crisis to end up in much more costly settings such as emergency rooms, hospitals and the criminal justice system. Employers experience lost productivity when employees miss valuable work days. The facts are that approximately 90% of adults with addictive disorders and 72% of individuals with a mental illness do work.

Yet, with all these facts, the state of Connecticut has chronically underfunded its behavioral health care system for more than 20 years. This has lead to a reduction in high quality care and the increasing need for more high cost emergency services ... not to mention the lost work days, missed school days and tragically lost lives. When community providers are used to balance the state budget, everyone ends up paying more through higher taxes to fund more expensive healthcare alternatives.

I have seen first-hand how inadequate state funding severely hinders our ability to attract and retain qualified staff. Unlike other industries, staff turnover often has catastrophic effects on the work we do by placing an incredible strain on our clients who often develop close, trusting relationships with our staff. This can cause major crises or setbacks for people who already struggle with significant mental health and addiction issues. As we are understaffed due to vacancies, more people wait for the supports they need.

Not only do we lack the funding to offer competitive wages, we also struggle to pay for the escalating costs of health insurance, utilities and other infrastructure needs. .

Cost of Doing Business:

State funding for our services has not come close to meeting the costs of doing business. In my 38 years of working in state funded agencies in Connecticut, the state has never adjusted rates or grants to address these problems.

Over the last 20 years cost of living increases to our agency has averaged fewer than 2%. Together with growing costs of doing business, this leaves Bridges and other community providers with only one option – to cut services to Connecticut’s residents in the most desperate need.

We ask that you consider the essential healthcare work we do as an investment in the state’s future economic well-being. This year we are seeking a Community Provider Rescue Fund, to stabilize the system and plan for the future, before it is too late. We are asking the Governor and the Legislature this year to approve a Community **Provider Rescue Fund** to ensure that we can continue to deliver the same high quality health services to our clients, more than 500,000 people in need statewide.

The Community Provider Rescue Fund will:

- ✓ Provide an immediate fix to shortfalls in the last two budget years
- ✓ Stabilize the system
- ✓ Create a new base for future funding growth
- ✓ Establish a consistent cost of service adjustment system to avoid future budget shortfalls

Description of the Fund:

- ✓ An immediate infusion of \$135 million to stabilize the system, correct funding shortfalls in the previous two years and projected flat funding for the next fiscal year.
- ✓ The formation of a Commission to consider a long term indexing solution.
- ✓ Creation of a capital improvement fund for community providers to be maintained on an annual level at \$65 million.

Consider this analysis by **Jim Purcell (CEO of Blue Cross/Blue Shied of Rhode Island)**, speaking on Rhode Island's state parity law at January 10, 2007 forum for the Campaign to Ensure Mental Health and Addiction Equity.

“The costs of untreated mental illness and addictive disorders are expensive and wide ranging. U.S. loss of productivity for mental illness is estimated at 63 billion annually¹ and mental illness is the second leading cause of absenteeism². **The estimated cost of alcohol and other drug problems to business in America is 197 billion.**³ Alcohol and drug treatment is a cost effective means of achieving social and fiscal goals including: health care cost containment, restoration of health, restoration of families, prevention of fetal alcohol syndrome, reduction in death on the highways, workplace savings, reduction in drug trafficking, theft, other crimes, and the related criminal justice and prison system costs, and the return to successful employment and tax-paying self sufficiency⁴. Every dollar spent on treatment saved state taxpayers \$7 in future costs. ⁵

We encourage you to recognize the value of community healthcare providers as you develop your Economic Strategic Plan. In so doing you will come to the realization that we must be an integrated part of an economic strategic plan. Connecticut can ill afford to continue a funding strategy for its community healthcare providers that ignores the imperative of an investment that could save in future costs \$7 for each dollar spent.

Thank you for your time and attention.

¹ President's New Freedom Commission on Mental Health, *Achieving the Promise: Mental Health Care in America*. (2003) p. 3.

² Ronald E. Bachman, Pricewaterhouse Coopers, Michigan Mental Health Parity Testimony, June 4, 2003.

³ Harwood (1995), Small Business Administration, U.S. Dept of Labor, and Office of National Drug Control policy, *Economic Cost of Drug Abuse in the U.S.* If anything, these figures have risen since the last study in 1995.

⁴ Findings of President's Commission on Model State Drug Laws, *Treatment*, (1993) p. A-23.

⁵ National Conference of State Legislatures, (2000) *Policy Matters: Critical Issues in Health Care Access, Substance Abuse Parity: State Actions*, p 1.