

Governor Rell's Economic Strategic Plan Public Hearing  
January 3, 2008  
Naugatuck Valley Community College

Good Evening. I am Marilyn Cormack, President/CEO, Birmingham Group Health Services, (about BGHS). Birmingham Group Health Services is located in Ansonia serving the five Valley towns and the surrounding area. We employ 177 staff, serve over 4,000 people annually, have a budget of \$10M and have a 35 member Board of Directors who represent various industries and businesses in the local area.

I am speaking to you today representing the Connecticut Community Providers Association (CCPA). The Connecticut Community Providers Association 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.

Community providers serve nearly half a million people every year with disabilities and other significant needs in community-based agencies. Community human service agencies include day programs and group homes for people with mental illness and mental retardation, substance abuse 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 the help and support they need to live more fulfilling and productive

lives. Community providers are a key part of the states economic health now and in the future.

Community Providers provide 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. These are essential services that government should provide and are a good investment in the state's fiscal well-being.

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 in the criminal justice system. More than 20 years of inadequate funding will lead to a reduction in high quality services. When community providers are used to balance the state budget, everyone ends up paying more through higher taxes to fund more expensive healthcare alternatives.

**Labor Force Quality and Sustainability:**

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.

### **Capital and Energy Costs and Supply:**

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. Our energy costs alone have gone up 48% in rate charges.

### **Cost of Doing Business:**

State funding for our services has not come close to meeting the costs of doing business. For example, our health insurance increased more than 18% and would have been higher but we had to increase the co pay for employees which again puts a hardship on staff who are not receiving the salaries competitive with the State.

Community providers have maintained high quality services despite the fact that we have never received adequate funding from the state. Our work plays a vital role by serving as the safety net for many of our state's most vulnerable citizens. The lack of any COLA or rate increases, together with growing costs of doing business, leaves community providers with only one option – to cut services to Connecticut's residents in the most desperate need.

We ask that you consider the vital work done by community providers 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.

We encourage you to recognize the value of community providers as you develop your Economic Strategic Plan.

Thank you for your time and attention.