

Good evening. My name is Heather Gates. I am the President/CEO of Community Health Resources. CHR is a business with locations in Enfield, Windsor, Bloomfield, Manchester, Vernon and Willimantic. We employ over 400 professionals and para-professionals to provide behavioral health services in the community to over 4000 children, families and adults per year. Our operating budget is \$25 million. We receive funding from the State of Connecticut, third party insurers, United Way, municipalities, client fees, and private donations.

As a Connecticut business we provide jobs to over 400 individuals, we provide job training to many of our clients, and we treat depression and other mental illnesses which result in lost productivity in the work place if left untreated. We contribute to the health of Connecticut's citizens and the economic health of the state. We are a vital part of the state's economy and an efficient and effective alternative to the state delivering these same services directly. We are part of a \$1.5 billion health care industry.

Labor force quality and sustainability:

We employ staff who have bachelors and masters degrees, RNs, MDs, PhDs, and those with experience but no degree. We are in a highly competitive employment environment and find it difficult to hire staff quickly. It is particularly difficult to hire staff who are bi-lingual and bi-cultural to meet the needs of our clients who speak Spanish. We compete with the state, our major funder, for staff. State salaries are generally considerably higher than those which we can offer as a result of poor funding increases over time.

It is essential that the state attend to its workforce if critical services are to remain available in the community. The shortage of Master's prepared clinicians, nurses, and psychiatrists, affects the quality and availability of care. Incentives to work in the public sector should be offered by the state, post graduation, and linked to service in the non-profit community.

Transportation:

Improved transportation within the state is critical to assist with job growth and to assist individuals to get off of public assistance. Time and again we help someone gain the skills necessary to obtain a job, but they cannot afford to buy and insure a car, and there is no public transportation available. The end result is he/she remains on public assistance.

Cost of doing business:

The cost of doing business in Connecticut has far outpaced the cost of living increases we have received from the state. Over the last 20 years the COLA on state grants has averaged less than 2%. In order to remain financially viable we cut our services and reduce access to critical health care. This in turn hurts the individuals we serve, our communities and the health of the state. It leads to decreased work productivity due to untreated mental illness and costs the country \$79 billion per year. Untreated depression

costs in excess of \$31 billion per year. This affects the economy of Connecticut and can be addressed through proper funding of mental health treatment services.

In addition, just like every other business in Connecticut we are experiencing increased health insurance, energy costs, and wages. Just because we are non-profits does not mean we are immune from the pressures of general inflation. Yet our state funding does not keep up with the increased cost of doing business.

Business regulation:

There has been an increase in the oversight of our industry due to an increased desire for accountability. We support accountability but it has to be balanced with the cost of meeting new regulations and licensing standards in a funding climate that does not pay for new mandates.

Affordable and work force housing:

This is an enormous issue that must be addressed systematically and over a period of time. Lack of affordable housing will hurt job growth and the ability for the state to attract new comers. Housing must be affordable and located throughout the state. It should be planned in accordance with improvement to the public transportation to enable Connecticut's citizens to seek and retain jobs.

Technology:

The use of technology in the health care field is critical. However, we are never adequately funded to be able to take full advantage of its availability. A fund should be created to improve access to technology and therefore improve health care services.

Solution:

Connecticut community providers need funding 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 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 consisting of industry representatives, administration officials and healthcare experts to consider a long term indexing solution. Commission must report by November of 2008 for inclusion of proposed policy changes in the Governor's 2009 budget proposal.
- Creation of a capital improvement fund for community providers to be maintained on an annual level at \$65 million.
- We urge all CCPA members to actively participate in the activities sponsored by CCPA's Community Provider Initiative so that together we can help to make this fund a reality.

Thank you for your time and attention to the infrastructure needs of Connecticut's community providers.