



Testimony to the Human Services Subcommittee of The Appropriations Committee

***Ray Bourret**, Board Treasurer, Gilead Community Services, Inc.*

HB 5014 - AN ACT MAKING ADJUSTMENTS TO STATE EXPENDITURES AND REVENUES FOR THE FISCAL YEAR ENDING JUNE 30, 2013 – **DCF Budget**

February 17, 2012

Good evening Senator Harp, Representative Walker, and members of the Committee. My name is Ray Bourret and I am the Treasurer of the Board of Directors of Gilead Community Services. Gilead Community Services is a mental health provider funded by DCF and DMHAS that serves almost 600 individuals throughout Middlesex County. We provide high quality health and human services to children and adults employing 250 people.

Gilead has been an integral part of the public/private partnership in the Community healthcare system for 45 years. We are part of the safety net that helps people live as full a life as possible. But unfortunately, at the same time the State asks us to deliver these services, it often fails to give the 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 (Therapeutic group homes, supported apartments, case management, rehab, & outpatient clinic) are essential services. I want to thank the Governor 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 then there are less direct service delivered to our clients...eventually 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 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 relief to the burden of more regulation and the rising cost of doing business. I am here to tell you that we provide excellent care to our clients that saves the State money 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. As a Board member I can say you are putting a system of care at risk. Non-profit community providers are part of the solution for a cost-effective solution to addressing the growing needs of Connecticut's most vulnerable citizens. Our Agency and the clients we serve need you to help fix this systemic problem before it becomes their healthcare crisis. Given adequate support, we have the capacity and

willingness to provide the needed services; which saves the State money, provides people with independence, creates jobs, and brings in federal matching funds.

As you know, there was no COLA increase for the past 4 years and the current budget proposes 1% a year from now. Four and a half years of no increase 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.

Programs have closed in the last few years and will continue to do so – this is not a false alarm. 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. I am a business owner and, if I had to run my business in partnership with the way these agencies get treated I would be out of business. We sit at these Board meetings pained by the decisions we are forced to make. We are currently contemplating decreasing more programs and reducing more staff to cover the growing deficit created by years of stagnant funding. These Agencies and their staff have done their fair share to help out during the budget crisis in good times and in bad, at times I just shake my head in wonderment.

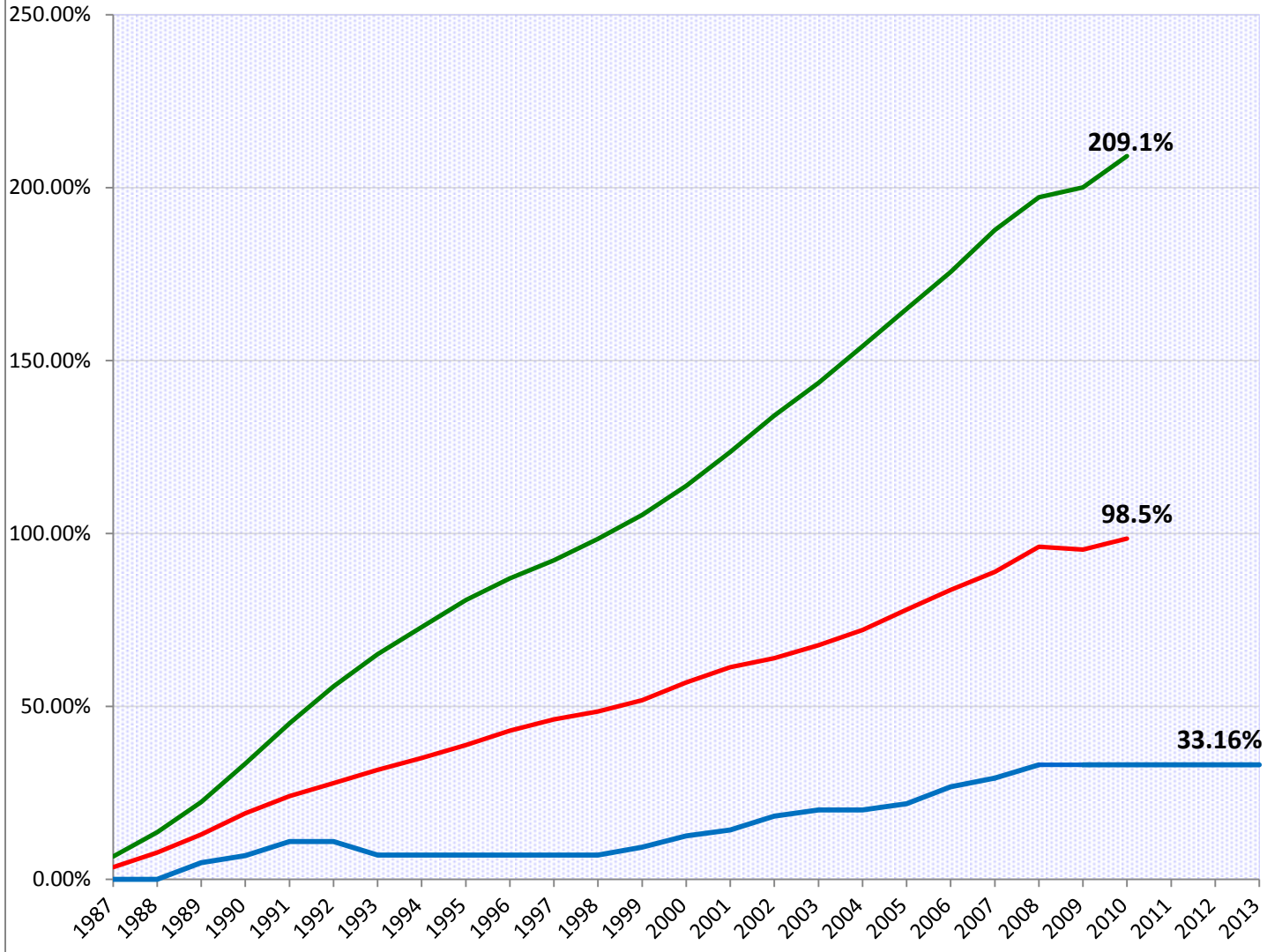
I challenge you to look creatively and go further to support the nonprofit community-based services and the critical role they play in this partnership. You know that funding issues create staffing issues. You know that when those with mental illness do not receive proper treatment they are likely to end up in emergency rooms, prisons or more expensive and less appropriate residential settings like nursing homes, thus costing the State even more money. Community 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.

Please help the Community service providers in your community succeed by supporting a budget that allows community providers to offer quality affordable services and stay alive as businesses in our State.

I thank you for your time and would be happy to answer any questions.



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)