



February 26, 2008

To: Human Services Committee
From: Terry Edelstein, President/CEO
Re: S.B. 34 AA Implementing the Governor's Budget Recommendations with Respect to Social Services Programs

Please accept these comments with regard to S.B. 34 AA Implementing the Governor's Budget Recommendations with Respect to Social Services Programs.

CCPA has serious concern that the Governor's proposed adjustments to the FY09 budget, and the enabling bill, S.B. 34, do not provide funding relief for Intermediate Care Facilities for the Mentally Retarded (ICF-MRs) and Community Living Arrangements (CLAs). S.B. 34 is silent about the freeze on ICF-MR rates and the 2% cap on CLAs initiated in the Governor's FY08/09 budget proposals and sustained by the Legislature during the 2008 session.

Funding for ICF-MR and CLA services are supposed to be based on cost-based reimbursement. DSS and the provider industry have identified a list of allowable expenses and the private provider is supposed to be reimbursed based on those allowable expenses. To freeze or cap rates violates the entire rate setting methodology.

ICF-MR services are provided to individuals with mental retardation who require extensive supports to live in small group homes in the community. The rates are meant to be all inclusive covering the cost of food, staff, as well as roof repair, heating oil and facility maintenance. Who gets caught short with a rate freeze? The consumers living in the home.

Similarly, CLA services provide the "room and board" portion of a group home for individuals with developmental disabilities, while DDS pays for the staffing and other "program" costs. To short one side of the budget – the DSS-funded side – leaves the homes without renovation and operating funds. There is no other "deep pocket" to support these community-based homes.

According to a calculation presented to community providers by DSS (9/07) the cost to increase CLA rates with a 2% cap is \$800,000. The cost to increase CLA rates based on "computed rates" would be \$1.8 M. **Capping rates, in effect, short-changes community agencies that have provided residential services for people with disabilities based on allowable costs by \$1M.**

CCPA

35 Cold Springs Rd., Suite 522, Rocky Hill, CT 06067-3165
(P)860-257-7909 • (F)860-257-7777
www.ccpa-inc.org

It is important to remember that the counterpart of residential services are the programmatic supports and services paid for by DDS that are slated to receive a 0% COLA in the FY09 budget.

We ask you to lift the ICF-MR rate freeze and remove the 2% CLA rate cap.

These are our suggested amendments:

House Bill No. 8002

June Sp. Sess., Public Act No. 07-2 25 of 101

Section 12 – re ICF-MR freeze

1, 2006, due to interim rate status or agreement with the department, shall be issued such lower rate effective October 1, 2006. For the fiscal year ending June 30, 2008, each facility shall receive a rate that is two and nine-tenths per cent greater than the rate in effect for the period ending June 30, 2007, except any facility that would have been issued a lower rate effective July 1, 2007, than for the rate period ending June 30, 2007, due to interim rate status, or agreement with the department, shall be issued such lower rate effective July 1, 2007. For the fiscal year ending June 30, 2009, rates in effect for the period ending June 30, 2008, shall remain in effect until June 30, 2009, except any facility that would have been issued a lower rate for the fiscal year ending June 30, 2009, due to interim rate status or agreement with the department, shall be issued such lower rate.

RECOMMENDED WORDING TO ADDRESS THE ICF-MR RATE FREEZE:

Delete:

For the fiscal year ending June 30, 2009, rates in effect for the period ending June 30, 2008 shall remain in effect until June 30, 2009, except any facility that would have been issued a lower rate for the fiscal year ending June 30, 2009, due to interim rate status or agreement with the department, shall be issued such lower rate.

Add:

For the fiscal year ending June 30, 2009 SUCH RATES SHALL BE DETERMINED ON THE BASIS OF A REASONABLE PAYMENT FOR NECESSARY SERVICES

Section 13 re Community Living Arrangement (CLA) cap

facilities for persons with mental retardation, shall be determined annually by the Commissioner of Mental Retardation in accordance with section 17b-244a. For the fiscal year ending June 30, 2008, no facility shall receive a rate that is more than two per cent greater than the rate in effect for the facility on June 30, 2007, except any facility that would have been issued a lower rate effective July 1, 2007, due to interim rate status or agreement with the department, shall be issued such lower rate effective July 1, 2007. For the fiscal year ending June 30, 2009, no facility shall receive a rate that is more than two per cent greater than the rate in effect for the facility on June 30, 2008, except any facility that would have been issued a lower rate effective July 1, 2008, due to interim rate status or agreement with the department, shall be issued such lower rate effective July 1, 2008.

RECOMMENDED WORDING TO ADDRESS THE CLA RATE CAP:

Delete:

For the fiscal year ending June 30, 2009, no facility shall receive a rate that is more than two per cent greater than the rate in effect for the facility on June 30, 2008 except any facility that would have been issued a lower rate effective July 1, 2008, due to interim rate status or agreement with the department, shall be issued such lower rate effective July 1, 2008.

Add:

For the fiscal year ending June 30, 2009 SUCH RATES SHALL BE DETERMINED ON THE BASIS OF A REASONABLE PAYMENT FOR NECESSARY SERVICES