



Testimony Before the Public Health Committee
SB 980 An Act Concerning Certificates of Need

Senator Harris, Rep. Ritter, other distinguished members of the Committee I would like to begin by thanking you for your time and consideration on the matters before you today. My name is Jon Clemens; I'm a Policy Specialist with Connecticut Association of Nonprofits. Connecticut Nonprofits has a membership of more than 530 organizations. Close to 75 of our members contract with the Department of Children & Families for a range of community & congregate services and programs.

This past summer the Office of Healthcare Access (OHCA) interpreted CGA §19a-630 (definition of "health care facility") to include residential treatment centers (RTC,) psychiatric residential treatment facilities (PRTF,) therapeutic group homes, and other congregate care settings and community programs licensed by Department of Children and Families (DCF) and provided by nonprofits. This has led OHCA to apply CGA §19a-639 (Certificate of Need request for approval) to these providers.

The recent introduction of the Certificate of Need (CON) process into the arena of programs licensed by DCF has added complications and unnecessary bureaucratic process to organizations struggling to sustain themselves. Heretofore, most children's sector service providers have functioned well for decades without this layer of oversight. Existing DCF licensing protocols are very stringent and involve regular site visits, reporting, and on-going communications.

The CON process (CGA §19a-639) calls for providers to seek approval when they want their program to open, close, resize, relocate, or change the services or program model. Reducing the ability of children's providers to make business decisions may mean the difference between a thriving organization that is free to adapt and an organization that fails financially.

If you have not noticed, DCF referral trends and policy decisions have resulted in the closing and reduction of over 50% of the residential treatment bed capacity in Connecticut. There is a potential that available services in other levels of care will be reduced. To require nonprofit organizations to seek a CON approval to formally ask permission to take steps to survive only adds insult to injury.

Current statutes allow for nonprofit organizations to apply for a CON waiver; however such waivers must be supported by their funding agency, in this case DCF. Here we once again run into a situation that calls for providers to cede their business decision-making power. Things are further complicated when a provider looks to relocate or close a program; even with the support of DCF, CGA § 19a-639b (4) states that the needs previously served must continue to be met in the area in a "better or satisfactory manner." This may prove to be difficult, or even impossible, depending on the geographic locale and the type of services offered.

The inclusion of programs licensed and funded by DCF into the CON process create an additional cost to the State of Connecticut, as both DCF and OHCA employees are now expected to take on the additional work demands related to children's services. Likewise, the CON process will demand additional administrative costs to nonprofit providers, taking away time and money that could otherwise be spent on serving children. The Certificate of Need process is an example of an unfunded mandate coming during a fiscal process when every dollar is already stretched thin.

We ask the Public Health Committee to clarify the proposed legislation to permit most DCF licensed programs and facilities to be exempt from the OHCA Certificate of Need process. We stand willing to work with the Committee to identify the levels of care and specific programs which should legitimately reside within the purview of OHCA.