

# Connecticut Nonprofit Human Services Cabinet

90 Brainard Road • Hartford, CT 06114 • (860) 525-5080 • (860) 525-5088 (fax) • landrews@ctnonprofits.org

## Testimony before the Government Administration & Elections Committee March 17, 2010

### SB 424, AAC Agency Consolidation and the Creation of the Health and Human Services Consolidation Steering Committee

### SB 362, AA Streamlining State Grant Distribution

The Connecticut Nonprofit Human Services Cabinet (Cabinet) is a statewide coalition comprised of 20 nonprofit human service associations and organizations representing approximately 800 providers. Its mission is to advance a strong and unified nonprofit human services system to effectively meet community needs. The Cabinet has worked with state agencies on critical contracting issues and business practices that impact over 2,000 Purchase of Service (POS) Contracts valued at approximately \$1.4 billion annually. Members play a vital role in addressing the critical health and human services needs that face so many Connecticut residents – we provide the safety net that *anyone* can find themselves in need of when least expected.

#### SB 424

Currently there are five major human services agencies (DSS, DCF, DPH, DMHAS, DDS) operating in Connecticut to both provide and contract out health and human services. For the most part, there exist five distinct methods of data collection, contracting, billing and licensing, among many other administrative functions. As you can imagine, this is quite arduous for nonprofit human services providers that contract with these agencies to provide services on the state's behalf.

The Cabinet understands the desire of the state to consider agency consolidation, especially given the fiscal climate. There is clearly room for streamlining contracting processes and needed oversight to ensure consistent implementation of policies. The Cabinet has been the lead provider organization to work with OPM on several projects related to purchase of service (POS) contracts, as well as with the Legislature on clean contracting in 2007. OPM has created guidelines for many POS processes, but does not ensure uniform implementation across all state agencies, which ultimately leaves much of the fractured practices unchanged.

We do urge very careful deliberation around creating one large human service agency that does not account for the specialized services and expertise needed to serve each distinct human services population. There is not a one-size-fits-all approach that can be taken when considering the various service populations. Their needs must remain at the forefront of any decisions about agency consolidation. That said, there is no need for five different data collection systems, five different contracting processes and five different billing mechanisms. For example, many services are provided with funding from multiple state agencies meaning that providers may need to enter the same data multiple times in multiple systems, send multiple bills for services, etc. This is a drain on both the time and resources of nonprofit providers that could otherwise be directed towards the provision of services, as well as a drain on the time and resources of the state agencies that duplicate work.

We do encourage that the Steering Committee seek input from the nonprofit human services provider community throughout the process. We are critical partners with the state in the provision of health and human services and respectfully request inclusion in the complex process of altering the state's human services delivery system.

Children's League of Connecticut

Connecticut AIDS Resource Coalition

Connecticut Association for Community Action

Connecticut Association for Human Services

Connecticut Association of Area Agencies on Aging

Connecticut Association of Nonprofits

Connecticut Coalition Against Domestic Violence

Connecticut Coalition to End Homelessness

Connecticut Community Providers Association

Connecticut Consortium of Legal Services

Connecticut Council of Family Service Agencies

Connecticut Sexual Assault Crisis Services

Connecticut Women's Consortium

End Hunger Connecticut!

Mental Health Association of Connecticut

Oak Hill

Planned Parenthood of Southern New England

The Connection, Inc.

Wheeler Clinic

**SB 362**

The Cabinet supports efforts to streamline state grant distribution, including payment of Purchase of Service (POS) contracts. As previously noted, the Cabinet has worked with state agencies on critical contracting issues and business practices that impact over 2,000 POS contracts valued at approximately \$1.4 billion annually. The state's contracting and reporting processes are complicated and often include duplicative requirements, as noted above. Additionally, many of the POS contract payments arrive to providers late – sometimes more than two months late.

When the state does not pay nonprofit human services providers on time, it causes us to take one of two actions. We either use money from our budget reserves and lose out on interest that would otherwise accrue in the bank, or we borrow money from a bank through a line of credit and pay interest. Both choices cost the private provider money to provide services on behalf of the state.

The state continues to ask nonprofit human services providers to provide more services with less funding. Unfortunately, it is growing increasingly difficult for private providers to do so, especially given the fiscal climate and associated increase in service demand. Sustainability of our private provider health and human services delivery system continues to weaken and is only exacerbated by the additional burden of delayed payments. We support all efforts by the state to streamline the payment process and ensure timely payments for contracted services.

*For questions, please contact Liza Andrews, Project Director, at (860) 525-5080 or [landrews@ctnonprofits.org](mailto:landrews@ctnonprofits.org).*