



STATE OF CONNECTICUT
DEPARTMENT OF MENTAL HEALTH AND ADDICTION SERVICES
A Healthcare Service Agency

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GOVERNOR

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COMMISSIONER

Testimony of Patricia A. Rehmer, MSN, Commissioner
Department of Mental Health and Addiction Services
Before the Appropriations Committee
March 23, 2010

DEFICIENCY TESTIMONY

Good Afternoon, Senator Harp, Representative Geragosian, and distinguished members of the Appropriations Committee. I am Patricia A. Rehmer, Commissioner of the Department of Mental Health and Addiction Services. I come before you today to answer any questions you may have regarding the DMHAS projected gross deficiency of \$ 14.0 million. The department plans to cover \$7.3 million of this shortfall through the FAC process using anticipated lapse funds, leaving a net deficiency of \$6.7 million.

The shortfall occurs in the following accounts:

Other Expenses	\$8.0 million
Professional Services	\$2.0 million
General Assistance Managed Care	\$2.0 million
Discharge and Diversion	\$2.0 million

The Other Expense account shortfall of \$ 8.0 million is related to not being able to achieve all of the savings and holdbacks that are contained in the department's adjusted appropriation for SFY 2010. The department's Other Expense account budget for SFY 2010 was reduced by \$12.8 million dollars to reflect '07 funding levels and our portion of \$95 million in statewide contract savings. It is anticipated that the department will be able to achieve \$4.9 million of the required savings by reducing expenditures to all but essential items. Items funded from the Other Expense account are related to many fixed costs and are therefore, not easily controllable. These expenditures are associated with expenses related to the operation of our inpatient and outpatient facilities – such as utilities, food for patients and costs maintaining a safe work environment. The department will continue to strictly monitor all expenditures to achieve additional savings wherever possible for the remainder of the fiscal year. This shortfall will be addressed through an anticipated release of OE holdback.

Our Professional Services deficiency of \$2.0 million is due to the loss of physicians and psychiatrists at our inpatient facilities through the retirement incentive program and the need to contract for medical services while the recruitment of replacements are being sought. This shortfall is planned to be covered by FAC of lapsing PS funds.

The shortfall in the Discharge and Diversion account of \$2.0 million dollars is the result of the department's continued emphasis on recovery and the need to treat people in the least restrictive environment. These funds will be used to facilitate the discharge of patients who no longer meet the inpatient level of care criteria from our inpatient facilities into individualized community placements and to develop intermediate care capacity in the general hospitals. This shortfall is planned to be covered by FAC of lapsing PS and \$1.0 million of lapsing Behavioral Health Medication funds.

The shortfall in the General Assistance Managed Care account of \$2.0 million is to support caseload growth beyond budgeted levels. This shortfall is also planned to be covered by FAC of lapsing PS funds.

Thank you for the opportunity to address the Committee today on the department's projected deficiency. I would be happy to answer any questions you may have at this time.