

Hello. My name is Heather Gates. I am the President/CEO of Community Health Resources. We are a large community based behavioral health provider serving the communities in central and eastern Connecticut. Our annual budget is about \$30 million and we employ approximately 500 people. We receive funding from every state human service agency as well as Medicaid, Medicare, other third party insurance, municipal funds, donations etc. CHR provides the full range of services available in the community. We are the Local Mental Health Authority for DMHAS and significant provider for DCF. I have been in leadership positions for thirty years working to change systems that support individuals and families struggling with mental illness and addiction disorders. I have an MBA and run CHR as a mission driven business. My comments today reflect both my experience in Connecticut and Massachusetts.

There are a variety of areas in the preliminary Proposed Areas of Focus developed by the Commission on Enhancing Agency Outcomes that make sense and should be pursued. Chief among them is the consolidation of state government back office functions, master contracting, on-line applications, and federal revenue maximization. However, before some of these activities can be tackled it would seem that a more fundamental question needs to be answered: what is the role of state government and how should functions related to this role(s) be organized. Supporting the regulatory oversight of the human service system requires a different organization than one that is supporting the direct delivery of services. As state agency functions are consolidated it is important to understand who the customer is going to be, since it will determine how the function needs to be designed. Over and over again in Connecticut the support of state operated services is co-mingled with the licensing and oversight of services delivered by the non-profit sector. These are different functions and should be considered in the process of consolidation.

From our vantage point as a provider there are some basic improvements that should be made to the human service purchase of service system. The contracting process should be the same across all state agencies. The re-procurement process should be the same, except for program specific requirements, with clearly defined rules and an appeals process. Money is wasted with multiple state agency processes and lack of rules. A well developed POS can help the state manage its resources more effectively and also provide protection for providers. The lack of rules and clarity in the current system leaves providers in an uncomfortable position, often driven by personality and political connections. Poorly executed re-bidding wastes time and money and erodes the partnership between the state and its community providers.

In addition to large reforms of government there are smaller, more manageable areas that can be addressed more easily. Here are a few examples:

1. Set up a technology revolving loan fund to assist with the development of improved IT. This is particularly critical for health care providers in order to create electronic medical records. Create incentives for providers to adopt the same EMR to facilitate communication.
2. Provide incentives for non-profit providers to merge to save administrative expenses. Although savings will not be realized in every case, there are

significant duplications of administrative expenses. More funding could be devoted to services and less to administration.

3. Use business models to help providers improve their services. Continue to focus on outcomes and common definitions of services. Manage the outcomes, not the processes.

Maximize federal revenue through the Medicaid program by pursuing the rehabilitation option and federal grant funding. In addition, use private providers to deliver services that are Medicaid and Medicare reimbursable, not state agencies. State delivered service providers do not have incentives to maximize third party reimbursement the way private providers do.

These are just a few comments given my experience and those of our organization. I would be happy to answer any questions.