

# **Testimony to House and Senate Committee on Appropriations**

**February 15, 2016**

I would like to thank the House and Senate Committee on Appropriations for making this public hearing possible.

I am George Karabakakis, CEO of HCRS, and I would like to speak to the remarkable services our staff provide. They work side by side with community partners, with those we serve and their families in schools, hospitals, police departments, resource centers, homeless and warming shelters, on the street, and throughout the community. The services we, as a designated mental health center, provide have contributed to reduced costs in psychiatric hospitalizations, criminal justice system, and other institutional costs and most importantly, improved quality of life. But these services depend on relationships both with the community and those we serve. When we cannot pay staff competitively, we lose them. Our statewide turnover rate is 27.5%; at HCRS it is 24%. This impacts quality services and those trusting relationships that we all depend upon and are the foundation of our services.

We, as a system, have not received COLA's since 2008. We certainly appreciate caseload increases over the years, but those increases are for new clients and innovative programs. Level funding essentially means a decrease if we are to give raises and absorb health care increases – we cannot sustain this for much longer. We are seeing the impact across the State; the State's commitment to our remarkable system of care must continue if we are to continue to help people move through their journey of recovery.

We need a strong, stable system that not only supports individuals and families, but by addressing the social determinants of health, housing, unemployment, we can impact up to 50% of all health care costs. We need a 3% annual COLA for the next four years to achieve a sustainable system of care.

As the Pacific Health Policy Group noted in a 2004 report commissioned by the Vermont Agency of Human Services:

“Decisions need to be made with respect to the State's commitment to the community based system of care for people with mental health and developmental needs. Policy makers and stakeholders need to work collaboratively to develop a 5-year funding plan that is consistent with both fiscal realities and the State's commitment to its citizens. The financial plan should address both the inflationary effects in the system (cost of living increases for personnel, rising energy and insurance costs, facility maintenance, etc.), and funding for caseload growth... The people whose lives are deeply affected by these decisions are counting on responsible and compassionate stewardship.”

Let us not allow our system to erode. Healthy individuals contribute to healthy communities and ultimately a healthy economy. Thank you.