

TO: Joint Fiscal Committee
FROM: William M. Young, Executive Director, Maple Leaf Treatment Center
SUBJECT: Proposed Budget Reductions
DATE: August 12, 2014

I am writing to express Maple Leaf's opposition to the Governor's recommended reduction in both incentive grants and the Medicaid rate increase of 1.6%.

We appreciated the Legislature's efforts earlier this year to understand the financial and human impact of the current opiate epidemic and of the implementation of managed Medicaid on residential programs. As you know, this takes place in an environment in which there has been no effort to examine rates as related to actual costs in almost 10 years.

The proposed reduction in funds allocated to provide incentives for programs to assist in the development of better outcomes data and the elimination of the 1.6% Medicaid rate increase come on the heels of a fiscal year in which residential programs had to absorb substantial losses due to managed Medicaid. At Maple Leaf, the reductions represent a loss of anticipated income of approximately \$68,000 at a time when we have already responded to financial pressures, made major changes in our program and funding is extremely tight. In addition the continued demand for improved services in the face of an increasingly complex patient population will be very difficult to meet if funding continues to shrink.

I urge the Committee to not support the Governor's recommended elimination of the incentive funds for residential programs and, particularly, to not support the recommendation to eliminate the increased Medicaid reimbursements to providers. It is contrary to what the Governor wrote to the Senate Appropriations Committee in April: "This increase represents an important commitment to providers as part of health care reform."

Thank you for your consideration of our concerns and support for the people we serve.