PCPA State Budget Position: 3% COLA for MH/ MR/ D&A System and a Permanent Solution

The Pennsylvania Community Providers Association is a trade association representing over 200 community-based agencies that provide mental health, mental retardation, substance abuse, children’s, and other human services. Members cover all 67 counties in the Commonwealth and serve over 1 million Pennsylvanians each year. PCPA is the largest statewide behavioral health trade association in the United States. Founded in 1972, PCPA represents providers on legislative, regulatory, policy and planning matters.

No new money has been proposed for the MH/ MR/ D&A system
The 2004-05 fiscal year state budget represents the third consecutive budget with no cost-of-living-adjustment (COLA) for the MH/MR/D&A system and no new funds for the existing unmet need. Not only are the issues of recruitment, retention and proper compensation not addressed but areas of unmet need, increased technological demands and capabilities, new security and reporting mechanisms, and ever-increasing health care costs are not acknowledged. Community providers devote all available funding to services, of which staff is a key component. As such, providers must address adequate staff compensation. In addition, community providers - being part of state and local economies - must also address business and economic demands.

The 2004/ 05 state budget MUST include a 3% COLA!
A 3% COLA for the MH/MR/D&A system represents approximately $30 million in state funds. The lack of a COLA means a cut in funding. Compared to the costs incurred for state institutions, community care is a much more cost-effective approach and is often the preferable method for clients and families.

There MUST be a permanent solution to the continuous budget crisis!
The MH/MR/D&A system is historically not viewed as a priority item in the state budget; and last year the D&A program experienced a drastic cut. Faced with routine state employee increases and negotiated contracts, the community providers must find a more permanent solution to the ongoing lack of COLAs to engage in a more competitive health care market. The Pennsylvania Community Providers Association supports a mechanism that would provide (through regulation) an annual COLA for community MH/MR/D&A programs similar to that which is provided to ICFs/MR and child welfare services. In addition, PCPA is working with other stakeholders to advance several proposals to assure the fair and appropriate use of taxes on beer, wine and liquor. These proposals will help provide a permanent solution to the D&A budget crisis.

Maintaining the MH/ MR/ D&A system
A 3% COLA helps to maintain the system not expand it or address the unmet need. Recruitment and retention are two of the largest issues facing this system today; without adequate staffing numbers and qualified workers, the system cannot survive. Often, consumers and persons in recovery prefer a community-approach to care and treatment rather than extended hospitalization or institutionalization. Community services save the state and counties millions of dollars. The system is in a recruitment and retention crisis now that will only worsen as the baby-boomer generation ages. There is a strong community MH/MR/D&A system intact now…and Pennsylvania should support, improve and expand it.