

EXHIBIT 14
DATE 11/22/09
NO 2

Madam Chair, Members of the Committee,

For the record my name is Robert J. Tallon. I live in Bozeman and am the Executive Director of Reach, Inc. and the President of the Montana Association of Community Disabilities Services. I have worked with people with developmental disabilities in Montana for over 32 years and have been the Director of Reach for the past 23 years. Reach serves 88 clients and employs 112 staff members (75 FTE).

Financially things are tough at Reach, tougher than I have ever seen them in 23 years. The provider network as a whole is suffering as well with many losing significant amounts of money. Since the new rate reimbursement system was implemented on July 1st, Reach has lost over \$80,000 on our DDP contracts; that is over 6% of our budget. We cannot withstand that level of loss much longer.

The problem is the work/day and transportation rates do not cover our costs. Our work/day contract, in the first six months, has lost over \$81,000 and our transportation contract has lost over \$32,000. While we are showing a profit in congregate living services it is not enough to offset these losses. If the work/day rate were funded at the rate the State's consultant recommends we would likely break even over the course of a year.

Yesterday there was some discussion of a possible adjustment in the federal matching rate for Medicaid. If this happens I would hope that this committee would recommend that any increased dollars realized would result in an equal increase in funding for Medicaid services.

Regardless of the changes in the match rate, I ask you to please adequately fund the work/day rate as proposed by the State's consultant, before we lose some long-time organizations to bankruptcy.

Thank you for your time and consideration and for your public service to our great state.

**DEVELOPMENTAL DISABILITIES
CHILDRENS SERVICES
LEGISLATIVE ISSUES**

➤ **REINSTATE THE GOVERNOR'S ORIGINAL BUDGET FOR EARLY INTERVENTION CASELOAD GROWTH IN THE AMOUNT OF \$2,309,692.00 FOR THE BIENNIUM.**

These funds were put into FY09 contracts for all Part C providers beginning November 08 to support services through June 30, 2009. Discontinuing these committed funds will eliminate services to approximately 175 children statewide.

Agencies have had to tap general fund resources not specifically designated for very young children to assure compliance with the entitlement required for children ages 0-3. As a result, very limited support remains available to needy children and families over the age of three.

The legislature and the legislative fiscal analyst have acknowledged the gap between the growing Part C caseloads and stagnate funding.

175 more families will return to waiting lists if the original budget is not restored.

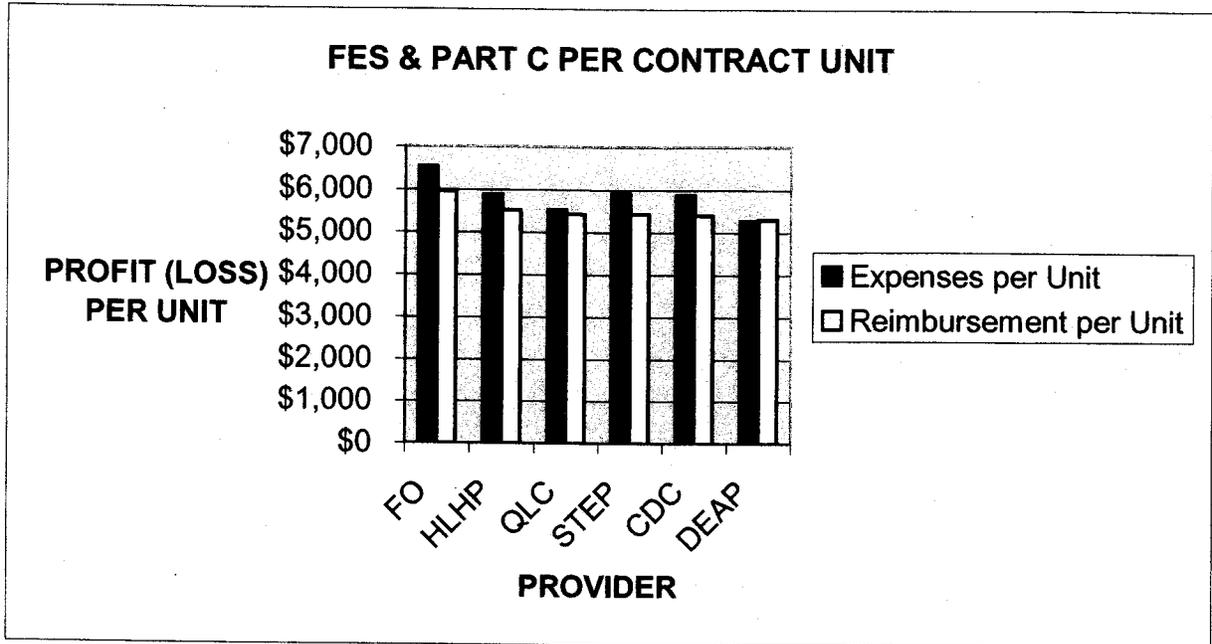
➤ **INCREASE THE RATE FOR DD CHILDREN'S SERVICES TO MATCH THE RATE INCREASE AWARDED TO OTHER DD PROVIDERS.**

Children's service providers were not included in the direct care salary increase awarded to other DD providers during the last legislative session. Consequently, salaries and benefits to direct line staff delivering support to children have stagnated. Turnover and vacancies in these critical staff positions are dangerously high. Turnover severely impacts the flow of services and creates great stress for families.

➤ **SUPPORT THE AUTISM WAIVER**

This program, the Children's Autism Waiver, will provide valuable intensive intervention to children up to the age of 8 and is currently included in the Governor's budget.

FES & PART C PROVIDERS
 FISCAL YEAR 2008
 EXPENSES & REIMBURSEMENT PER CONTRACT UNIT



FES & PART C PROVIDERS
 FISCAL YEAR 2008
 PROFIT (LOSS) BY AGENCY

PROVIDER	PROFIT (LOSS)
FO	(\$130,324)
HLHP	(\$22,952)
QLC	(\$15,219)
STEP	(\$64,086)
CDC	(\$108,265)
DEAP	\$2,841