CHAIRPERSONS: Senator Marilyn Moore, Representative Catherine Abercrombie

SENATORS: Lesser

REPRESENTATIVES: Arora, Butler, Case, Dathan, Garibay, Hughes, Santiago, Scott, Stallworth

REP. ABERCROMBIE (83RD): So good morning everyone. I'd like to welcome you to the Appropriations and Human Services Committee meeting today for a public hearing agenda on the 1115 demonstration waiver application for review. This is a waiver for substance use disorder demonstration waiver, pursuant to the section 1115 of the Social Security Act. We will start with the order of our attendance, who will be giving us information on this waiver. First up is Commissioner Gifford and welcome, and thank you to everybody, for being on this.

COMMR. DEIDRE GIFFORD: Thank you Representative, very much for having us. Senator Moore, Senator Osten and I don't know if Senators Berthel, Miner, I can't see the whole team, but Representative Abercrombie and Walker, Case, and France and distinguished Members of the Human Services and Appropriations Committee, thank you very much for having DSS here this afternoon to talk about this very exciting opportunity that we have with this 1115 demonstration. I believe, I am joined by colleagues from Sister State Agencies, DMHAS and DCF. I believe Deputy Commissioner Nancy Navarretta from DMHAS was hoping to join and also a Commissioner Durantas and if she's not able to join, I know we have Representatives from those agencies as well when we get questions.

So I thought, what we would do, given the week that everyone has had is that I would start with some brief introductory remarks and then leave it to you

as to whether you wanted more detail, we submitted both a set of slides with an overview and obviously are written testimony but it, with your permission Representative I'll do some brief introductory remarks and then pause for further directions.

REP. ABERCROMBIE (83RD): That'd be great. Thank you Commissioner.

COMMR. DEIDRE GIFFORD: So we are here today to seek here review and approval of DSS's proposed submission to CMS of substance use disorder, also known as SUD, substance use disorder 1115 Medicaid demonstration waiver. This is an exciting and potentially transformative, initiative, and because it reflects an opportunity for us to expand our HUSKY services to our members. It also reflects an opportunity for us to enhance the capability and capacity of our providers in the SUD delivery system and it does that through training, through modernizing practice standards in SUD treatment and through rate increases.

It does that by capturing new federal revenue that the state has not previously had an opportunity to capture. So, with a few context setting remarks, as you know, today, residential treatment for substance use disorder is paid for using state only dollars. And the reason for this is due to a very long standing over 50 year provision in Medicaid law that prohibits Medicaid programs or paying for residential treatment in what's called an institution for mental disease in IMD. The IMD so called IMD exclusion, which is the colloquial term for that federal law, prohibits us to pay for or seek Federal Medicaid Reimbursement for all of our SUD and other residential treatment, including SUD treatment at the Connecticut Valley Hospital.

The intent of this IMD exclusion is was to prevent states from keeping large numbers of individuals in institutional settings when they could be more appropriately treated in the community, so this IMD

exclusion was part of the national movement towards deinstitutionalization and it has for all these decades a prevented State Medicaid Programs for paying for residential treatment for substance use disorder, under the guise of an IMD. So our intent through this waiver application is to request that CMS waive this IMD exclusion rule and allow Medicaid to pay for treatment services that occur in residential treatment programs.

There's a long standing recognition by CMS that the IMD exclusion has been an impairment and impediment to residential treatment for substance use disorder and so CMS warmly offered this opportunity to states to ask for this 1115 waiver and they have already approved 32 states to take advantage of this opportunity. We are confident that by following the federal requirements for these waivers are our waiver is likely to also receive a favorable review from CMS. So, once the waiver is approved, all treatment services at residential treatment programs that comply with the new standards that are articulated in the waiver would become eligible for federal match for Medicaid reimbursement. This is significant for Connecticut and would allow us to increase our rates for providers in order for them to meet these higher treatment standards.

DSS along with DMHAS, DCF, and other Department of Corrections as well as our judicial colleagues have been collaborating on this project for over two years to get to this point. Providers will receive increased rates to deliver these higher treatment standards and we also believe that this will significantly benefit Medicaid members. They will receive more uniform and higher quality treatment and our goal is to ensure that member outcomes improve under this demonstration. We will in fact be required to measure certain quality metrics and outcomes as a requirement of the demonstration and in some of the enhanced fund raising effort.

The funding details are still being worked through as we learn more about the providers and members that would be effective. We've had extensive provider feedback throughout this process and we continue to modify the proposed standards within federal parameters. And the rates, based on the meetings that have occurred over the past several months, including as recently as this week with providers. Our goal all along, has been to be transparent and provide providers with the resources that they need to meet the higher standards and to attract and retain qualified staff. So at this point, Madam Chair deferred you as to whether that's a sufficient information to jump in on the questions or if you want us to run through a couple of the finer details in the PowerPoint.

REP. ABERCROMBIE (83RD): I will open it up to the Chairs and Rankings to see if they want further information or if they just want to go to questions. Rep. Walker. Senator Osten.

SENATOR OSTEN (19TH): Thank, thank you very much, I do have a couple of questions, one on, you said that the DSS, I'm not certain which parties were involved with DSS and DLC have been working on this for two years is that true. Yes.

COMMR. DEIDRE GIFFORD: Yes.

SENATOR OSTEN (19TH): When did they do? Thank you.

COMMR. DEIDRE GIFFORD: Just to, just to add so that some of the collaborators Senator. DSS, DMHAS, as I mentioned DCF court support services and department of corrections in terms of state agencies that have been working on this waiver application.

SENATOR OSTEN (19TH): And when did the providers become involved in the process.

COMMR. DEIDRE GIFFORD: So I am joined by Kate McEvoy and Mike Gilbert and I believe, Bill is also

on from DSS. So Kate, do you want to answer that question for Senator.

KATE MCEVOY: I'd actually like to defer to Bill, because he's really been the lead on this and there's been extensive stakeholder engagement, So Bill may I ask you to respond?

WILLIAM HALSEY: Sure. In different capacities they have been involved with us for quite some time, I would say in great detail, probably, starting in November and December of 2020 where we were able to share our draft treatment standards with them for the first time and then initial round of feedback happened so in November, December, January, we went back made adjustments to those treatments standards and then recently as Krishner said, even we had four meetings this week, but I would say, in the last three weeks we have reengaged with them significantly to show them not only the standards, but the draft rates as they stand, right now.

SENATOR OSTEN (19TH): Thank you for that and my questions are not about the federal dollars, my questions are relevant to the timeline on how this all played out, when we're the legislators first notified about this process.

COMMR. DEIDRE GIFFORD: I couldn't tell you specifically as Senator Kate, I don't know if you have a specific recollection or if we have to go back and look through may pocket agendas, etcetera, as to when we first brought in our legislative folly.

KATE MCEVOY: We first notified the medical assistance program over say Council leadership and Members excellently two years ago, describing this opportunity to become available to all states. Then we flag, the intent of the departments to collaborate on this, we presented a brief update on kind of plans for the stake hovering at a previous point, and then this morning we gave an extensive

report out they'll provide an extensive report out to the Council.

WILLIAM HALSEY: And I would also just add, I think we would back that far with the behavioral health partnership oversight Council as well.

SENATOR OSTEN (19TH): And, did you include these new rates in your budget request through the ups, the policy management.

COMMR. DEIDRE GIFFORD: Mike?

MICHAEL GILBERT: Sure, thank you, Senator Osten. The budget as currently constructed is neutral in regard to the 1115 waiver because of the time it's taken to work through some of the financial details in, as mentioned, some of the work with the providers around rates and discussions of that nature are continuing so, given the timeline from a financial perspective it hasn't been specifically addressed in the budget, it is anticipated and there's a reference to it in our testimony. It is anticipated that we will come before the Finance Advisory Committee and put forward any budget adjustments that are needed, I do just want to caveat that the budget adjustments will not be -- there will be no additional costs.

The new federal revenue is anticipated to allow us to fund the enhanced rates and other investments that are covered under the waiver, so it will not be an additional cost of the budget, but there may need to be some budget adjustments in terms of agency Appropriations that we will address through the Finance Advisory Committee action and we also anticipate that we that we would share information in advance of the FAC meeting, so that you know, there was full transparency around those adjustments before we get to the Finance Advisory Committee.

SENATOR OSTEN (19TH): Thank you for that, and if you could send along those potential rates to the

appropriate Committees, through their appropriate administrators today, so that we could look at that, as we continue to work through the process, thank you very much, Commissioner and your staff, and thank you, Madam Chair.

REP. ABERCROMBIE (83RD): Representative Walker.

REP. WALKER (93RD): Thank you Madam Chair. My coaches asked all the questions that I had, so if I come up with any others, I'm sure to ask, but thank you I'm good. Thank you.

REP. ABERCROMBIE (83RD): Senator Moore.

SENATOR MOORE (22ND): Thank you.

COMMR. DEIDRE GIFFORD: Pardon me Senator. I wanted to add a, just an addendum to the Mike’s, I mean if I could but, I'll defer if you ask your question first.

REP. ABERCROMBIE (83RD): No Please proceed. Madam.

COMMR. DEIDRE GIFFORD: So I just wanted to make a procedural clarification because, as we all know, Medicaid is nothing if it's not complicated. The 1115 waiver application itself does not require us to do the specific work around the rates. That would be done in a separate vehicle through estate plan amendment and I'll ask Kate or Joel Norwood our attorney who's on. To correct me if I misstated anything but I just wanted to make sure that the media understands, as you contemplate approval of this waiver that it does not lock us into any specific set of rates. It merely allows us to get the federal enhanced reimbursement for those residential services, which then we can use as a state to enhance rates and other enhancements and improvements to our substance use treatment system.

REP. ABERCROMBIE (83RD): Representative France do you have any questions at this point.

REP. FRANCE (42ND): Thank you. I have one question, it's related to the federal reimbursement, so I understand for the presentation that is currently a completely state funded program and where the drives within the budget was to look at opportunities to increase federal reimbursement, but I slide died of the presentation, it states that the must be budget neutral to the Federal Government or per member, per month basis, so how does, how does that work in order to increase the federal reimbursement if it has to be revenue neutral that would.

COMMR. DEIDRE GIFFORD: It's an excellent question Representative and it is that the Federal or Federal Agency that oversees Medicaid CMS has decided that they will allow us to consider these services as having been previously part of our budget and, and then look at the services going forward as to whether they are cost neutral to the federal budget, so they call these hypothetical costs when they, when they look at the budget neutrality calculations down at CMS. But all states have faced this challenge and as, as I mentioned earlier 32 states have gotten approval through the budget neutrality, so it is through a bit of linguistics that they allow these services to be considered to happen previously covered.

REP. FRANCE (42ND): Thank you very much. Thank you Madam Chair.

REP. ABERCROMBIE (83RD): And a few of our colleagues have raised their hands, but if anyone else has questions, please raise your hand Representative Dillion.

REP. DILLON (92ND): Thank you very much, Madam Chair. Thank you very much, Commissioner. This is really during welcome, we know that the IMD exclusion has been a real fun since before Medicaid actually, it's Camille's but, I have two question

comment, one of them, I think, is obvious and it'll be, it'll be a peaceful, just post out on natural log and Connecticut Mental Health Center or also IMD’s, but you didn't mention them, should we assume that they're included in this application.

COMMR. DEIDRE GIFFORD: To the extent that they're providing substance use disorder services to better covered benefits to Husky Members, I believe the answer to that is yes, Bill, is that correct.

WILLIAM HALSEY: Yes. So your -- your answer is absolutely right to the degree that they're providing SUG services, they are included in this. The state operated one and we have our colleagues from DMHAS on probably could answer it better, but I think it's more likely that the state operated ones are Blue Hills, Connecticut Eye Hospital and Capital Region Mental Health Center but I'll defer to DHMAS on the Connecticut Mental Health Center in New Haven, as to whether they provide us to do treatment.

REP. ABERCROMBIE (83RD): I think the Deputy Commissioner is on for, their you are. Good morning Deputy Commissioner just introduce yourself, and if you want to just add to that.

NANCY NAVARRETTA: Sure. Nancy Navarretta, Deputy Commissioner DHMAS. CMHC does not have an IMD for substance use disorders, so the answer, there is no. But to Bill’s point in terms of Blue Hills and the Merit Whole building, the answer is yes, because they have the Detox in Rehab.

REP. DILLON (92ND): And last right now because they were only looking at state operated.

WILLIAM HALSEY: No. no. That target is part of it if they're yes. They are part of it.

REP. DILLON (92ND): Okay, and and, second, I know that you don't have the Dallas before I start I

can't stress enough how anxious our community is about whether or not we'll have the resources for the people that were already caring for who, who many improvers issues were judging by substance abuse and the providers were hit very, very hard during the more years and the, and in fact the original there was an accountant in CMHC and then in DMHAS to avoid blocking into rates and they were pretty much the grant accounts are pretty much were decimated, so I -- I hope, I don't know how this is going to parse out, but when it comes to colas and so forth, but we have some folks that really need it and providers that need to keep their workforces and we just learned from the CDC and additions this morning about suicide attempts having junk and teenage girls, a year ago it's shocking. I don't know if that's driven by substance abuse and I don't want to get ahead of the data, but I know that you care about that too, but I think we need to say that today.

REP. ABERCROMBIE (83RD): Thank you Representative. Any further questions Representative.

REP. DILLON (92ND): No, thank you very much, Madam Chair.

REP. ABERCROMBIE (83RD): You're welcome. Representative Nolan followed by Representative McCarty.

REP. NOLAN (39TH): Thank you, Madam Chair and thank you, Commissioner, and everyone who's on assisting us with understanding this. I just want to do a follow up on. Senator Olson actually asked a question that I was interested in knowing but along with what she said, conversation came up even though the budget is not supposed to be affected by this, it was talked about making adjustments to agency, so my concern would be, is if those agencies are now going to have some kind of an issue just because of the adjustments that are going to be made, and if you knew what adjustments or what agencies would be

impacted by this, so that we would be sure that, you know the budget that we just bought forward is not going to be hindered upon.

COMMR. DEIDRE GIFFORD: Yeah. Excellent question and I'll defer to Mike, just make an introductory comment, which is just to remind us all that this is enhanced funding. It's not, so wouldn't it wouldn't entail any reductions in funding to the impacted agencies, this would be new funding that would be coming into replace state only dollars that are currently paying for these residential treatment services Representative, so the FAC process that Mike refers to would have to do with moving or transferring dollars, as they came in, as we were able to identify, which providers and which services and which agencies were impacted, but we don't anticipate net reductions to agency budgets, as a result of this waiver the, the opposite is the case. Mike do you want to add anything.

MICHAEL GILBERT: Thank you Commissioner, Deputy Commissioner, Mike Dillard. That that is all very true I think it's more the mechanics of the funding there certainly is no intent to, to have any services adversely affected and as Commissioner mentioned, it is really about enhancing on to the extent that some interagency adjustments are necessary to either augment agency funding or to, you know, allow for a maximization of revenue those would be the only adjustments that would be you know put forward, and you know, only to the extent that they are needed, so we're very mindful of you know not adversely impacting any agencies budget through this transition.

REP. NOLAN (39TH): Okay, Madam Chair, can I ask the second question.

REP. ABERCROMBIE (83RD): Please proceed.

REP. NOLAN (39TH): Okay. We talked about quality, quality of treatment and I'm just curious who would

be responsible for further, for the checking in on the quality of treatment. How do we know it's different elevated to a higher standard because we have so many agencies involved in leading to be part of this, it just whereas me that they would not be an overseer in regards to quality of care and that includes the measures of success in regards to some of the care that has been given it seems like it's hard to follow the measures in regards to when it starts to finishing and finding out if it was successful, so I just be interested in hearing a little bit about that.

COMMR. DEIDRE GIFFORD: You're spot on Representative and, in fact, one of the many reasons why CMS developed this opportunity for States was to address the exact issues that you've just highlighted so the requirement is that providers come into compliance with the American Society of Addiction Medicine Standards for treatment providers. And so it's a, it's a much more uniform approach to care standards than we have typically seen in the past. Those standards are high as they should be, but they also require investment on the part of providers and on the part of State, so that's why this is such a great opportunity, because it provides us the federal dollars that we can pass on to providers to make the investments that they need to make in these higher quality standards.

So, in order for providers to be to answer your specific question, in order for providers to receive the enhanced rates they will in fact need to certify or demonstrate that they are meeting these ACM criteria in order to participate. On the quality measure side, every state is faced with the challenge of having the relevant data spread across multiple different data sets. We have DMHAS, and DCF and DSS and DPH and corrections and we have the office of the Chief Medical Examiner, and so we have a lot of places where the outcome data reside, that we want to get.

What this opportunity will allow us to do is develop more capacity to collect and report on those measures across all of those different data streams. A small fraction of the money that comes into the state would be devoted to the evaluation component of the demonstration and so we would be investing in our state capacity to collect and report on those measures that you just talked about.

REP. NOLAN (39TH): Oh, thank you and it just I can follow up with that data statement. Is there going to be a data of certain area in which we're going to compile this data, so that it's uniform, it's has uniformity amongst all these agencies, so that everybody's on the same page because, again we fail to sometimes make it so that all agencies can enter Bingo amongst this data and just making sure that that can happen.

COMMR. DEIDRE GIFFORD: Bill, do you want to respond to that.

WILLIAM HALSEY: Sure, thank you. Absolutely yes, we will have our behavioral health administrative service organization collecting and tracking outcome data across levels of care, so there are specific outcome measures that CMS wants to us, wants us to follow, we may add, additional measures, but all of those will be tracked and recorded in a transparent way by level of care, probably not by provider will probably roll it up to a level of care, but then the providers also will be able to see that and see their own measures and see how they are doing against their peers.

KATE MCEVOY: If I may, just like to wrap briefly around Bill. This Steve McEvoy, Director of Health Services at DSS, this Representative is not a new arrangement; it's a long standing partnership between department social services, department of mental health and addiction services and department of children and families to jointly manage the Medicaid behavioral health benefit so there's years

of trust basis and expertise that's been you know rolled up into this point Beacon, the ASO has bolstered us, the capacity around data collection, data analytics and then also visualizing act, so that we can share it in a way that's meaningful both for you and also for providers, so we're going to leave off that existing strength of the joint management by departments, we don't have to discern how to do that we're already doing it.

REP. NOLAN (39TH): Okay, thank you. Madam, Chair, I will ask other questions offline to the Commissioner Kate, because I do have a lot of questions, just to keep communication open and in regards to mental health, because that is important project.

COMMR. DEIDRE GIFFORD: Happy to answer them Representative.

REP. ABERCROMBIE (83RD): Thank you, thank you Representative Nolan. Representative McCarty.

REP. MCCARTY (38TH): Yes, thank you very much, Madam Chair. I Representative Nolan really touched on my concerns, but I just like to make a few comments that I'm very pleased to see this demonstration waver in front of us today. We know that the opiate crisis is truly a national concern and for the Federal side to really open this up to the state, I think, is really an excellent move so I'm very supportive, my question was going to be and to recognize the interagency work on this for many years that that's tremendous.

Representative Nolan hit it really correctly, that we have to look at what we're doing with what the standards are, and so my question to the Committee is, Bill we be receiving another report after the work continues as to how those standards were raised somewhat along the same lines as Representative Nolan questioned. I would be interested to see, because I know we're doing an excellent job, but if

you can raise the standards even more I'd be interested to see where you focused. Thank you Madam Chair.

REP. ABERCROMBIE (83RD): Thank you, Representative and you -- Bill, you raised a good issue normally when DSS supplies for any type of waiver, we normally do get some information as to how it's going, and then the financial part is also part of the Appropriation, so I do believe that we do get this information, but if somebody wants to ask for report, you know, a year into this process, we can also do that but normally we do stay informed as to how the process is going, how many people are being served financially like I said it goes through the Appropriations.

REP. MCCARTY (38TH): Okay, and I thought, so I appreciate you clarifying that. Thank you, thank you to everyone.

REP. ABERCROMBIE (83RD): You're welcome Representative and just so Members understand also the FAC process. The FAC process is a process where agencies need to come before a body that's made up of the executive branch and the legislative branch and more or less really ask, ask permission to move items from one line item to another, it sort of our checks and balances when it comes to state agencies, so I just want to make sure everybody understands what that is. Representative Tercyak.

REP. TERCYAK (26TH): Thank you very much, I just wanted one question in the waiver is CMS going to allow in are we in, or are we going to shift some job duties from higher classifications that are doing them now to lower job classifications, that are not yet doing them in Connecticut. If you get what I'm talking about. Like having a professional and nurse substance abuse somebody and instead of the job that is normally there's have it be done by an aide or lower classification, that's what I'm talking about.

COMMR. DEIDRE GIFFORD: Representative, I, let me, let me provide a generic answer and then I'm going to ask Deputy Commissioner Navarretta and Bill to also elaborate. The ACM standards really actually raise the bar in terms of the types of professionals and the qualifications of the professionals that are involved in the treatment and so by implementing these uniform and national standards, the intent is to bring up the level of provider that's providing these services and that's one of the reasons why the enhanced rates are a key part of this, so there's certainly no intent to to decrease the skills or abilities of the individuals that are providing services, it's to enhance them.

There may be new types of providers that are involved in the services, so I would ask Nancy or Bill to provide any other specifics, that you might have in response.

NANCY NAVARRETTA: I would also add generically that the teams would be multidisciplinary, so everything from physician, nursing, counseling at to include peers, so peers would be integrated into the teams, which is something we have wanted to do and have not been able to do to this point because of funding so that would be an ad.

WILLIAM HALSEY: Yeah. And I would -- I would just add it it's almost going in the opposite direction per the Commissioners comments, we're enhancing the standards, enhancing the staffing, you know, in some cases we've added a nurse, where a nurse didn't exist before. And to Nancy's point, we've added peers and we've added a dedicated service coordinator and adding those positions, the Pier, and the service coordinator, we're not taking anything away from the staffing patterns of the professionals and licensed staff, it's a true add to the, to the staffing pattern.

REP. TERCYAK (26TH): Okay, thank you very much.

REP. ABERCROMBIE (83RD): And just for those that are watching, ASAM is the American society of addiction medicine, that's kind of like the book that we follow just so everyone understands. I don't see any hands, any other hands raised, is there anyone else that has any questions or comments. Seeing not, I would like to just open it to the Deputy Commissioner Navarretta to see if you have any other comments that you would like to add to this ma'am.

NANCY NAVARRETTA: No, I would just say that we have been in lockstep with DSS in terms of developing the program and that we are looking forward to the standardization of the rates based on a solid rate methodology, so that's important hoping to improve access and and be able to pay providers, for the work that they are doing.

REP. ABERCROMBIE (83RD): Thank you and Deputy Commissioner Michael Williams from DCF, would you like to add anything to this presentation.

MICHAEL WILLIAMS: Thank you and good afternoon, and what I would add, is first thanks to the department of social services, leadership and particularly Bill and Kate for providing the leadership for us to do this, it's been a great great experience for the department children and families collaboration that we've never seen before at the levels that we're seeing has been wonderful and we really appreciate the product that has come out of this and DCF and the rest of the state agencies are truly are are grateful for the vision and the leadership brought by department of social services.

REP. ABERCROMBIE (83RD): And does anyone colleagues, anyone have any questions for the Deputy Commissioner of DMHAS or the Deputy Commissioner of DCF. Seeing none, we will move on to our next presenter who is Tyler Booth from the InterCommunity

Healthcare. Tyler. Heather is Tyler on? I don’t see.

HEATHER FERGUSON-HULL: No, he doesn't seem to be here.

REP. ABERCROMBIE (83RD): Okay, then we will move on, is Ben Shaiken from the Community Nonprofit Alliance here.

BEN SHAIKEN: Hi. Good afternoon, Madam Chair.

REP. ABERCROMBIE (83RD): Good afternoon.

BEN SHAIKEN: Thanks for having me this afternoon and good afternoon to you and Senator Osten, Representative Walker, Senator Moore, Senator Minor, Representative France, Senator Berthel, Representative Case and all of the Members of the Appropriations and Human Services Committee. My name is Ben Shaiken. I work at the Connecticut Community Nonprofit Alliance, which most of you know where the statewide association of Community on profits. Representing all sorts of nonprofits, including those that provides substance use disorder services, I want to thank you for the opportunity to testify today.

We are in a nutshell, generally, you know supportive of the waiver proposal in the transition for these services into the Medicaid Program, but there is one important consideration that I want to bring up, and it goes back to some of the conversation you had earlier around the rates for these services, which, as you know, as DSS stated are not included in this waiver proposal. You know, like, I said that this transition to the ASAM standards, I think is a good thing, we think is a good thing will help the system, but you know it's very dependent on, on what the rates are for these services, and I want to just highlight several important reasons why.

First there's a workforce crisis in Connecticut. You read about this, as it relates to other industries, but it's very much present for Community nonprofits right now. Human services providers across the state are facing significant staffing shortages, do they have the Labor market, has reacted to the emergence from COVID, and for Human Services providers, including substance use disorder, this issue is really exacerbated because they can only pay their staff what the state pays them for services. We'd hope that this issue would have been addressed by the bipartisan budget that you all just passed.

It does for many areas of the Human Services sector, there's a really significant infusion of dollars into into nursing homes into into group homes for people with IDD and we're very grateful for that, however, the budget doesn't include any increases for Medicaid funded, mental health and substance abuse treatment programs and it also includes some reductions in American rescue plan act dollars for DCF and DMHAS that had been included, both in the Governor's original proposal and in the Appropriations Committee's provisions last month. These programs are seeing an unprecedented increase in demand, at the same time, related to the pandemic.

Just as an aside, you know, we have just and are still experiencing this sort of third collective trauma as a society in the last 20 years with the COVID pandemic, with Sandy Hook here in Connecticut, with 9/11 and after each one of those there's been, there's been a lot of discussion about the importance of behavioral health services, both mental health and substance use disorder services, but unfortunately there's really been very little to no funding attached to expanding behavioral health system to meet those needs. So, within this context, mental health and substance abuse providers are just not going to be able to recruit the staff that they need to fill their existing positions, let

alone the additional staff that is going to be required to meet the new ACM standards that are part of this waiver.

I sort of talked a little bit just now I think about some of the folks on the lower end of the wage scale in these programs, but this crisis is true for, for people on the higher end of the wage scale and these programs as well, these programs are highly dependent on clinical staff, nursing staff, medical staff, these positions are also highly competitive right now and without an increase. In funding for them, and more than a decade Community behavioral health provider simply can't keep up with the private sector with hospitals and others to pay their clinical staff. And the ACM standards also increase in most of these levels of care, the amount of clinical staff needed on site 24 hours a day.

And then third and finally, this the rollout of this plan, and I want to compliment and thank the Department of social services and DMHAS for for, how how open, they have been with providers over this period of time. As, as Bill mentioned earlier, and I think particularly Bill, I think, for taking provider feedback. But as Bill mentioned earlier providers have just found out what the draft rates are for this program as as late as this week as a three and a half hour webinar yesterday, where Bill and Mercer went through it with providers in great detail.

They're still trying to run these numbers to figure out if it can work with these draft rates and that's going to take some time. But this, the idea behind this plan is to have a two years sort of transition rollout and the details of that are really important. In the past, when services have moved Medicaid funding as Representative Bill mentioned earlier state grant funding that has funded them in the past has been reduced.

And, given the significant changes that this waiver is proposing to the services themselves and the time it's going to take given what I just talked about you know long established programs to make those changes, and you know, given the significant stating the state interest in substance use disorder, you know residential treatment, in particular in not reducing bed capacity and instead increasing capacity is really imperative that the legislature and the administration commit now at the beginning of this process to have you know full funding and flexibility through the transition, including maintaining state grant funding as the transition has made. So I think that's all I have, thank you again for your consideration, it's good to see all of you, I hope I can see all of you in person, very soon and I'm happy to take any questions, thank you very much Madam Chair.

REP. ABERCROMBIE (83RD): Thank you Ben and thank you for your presentation Senator Osten.

SENATOR OSTEN (19TH): Thank you, Madam Chair. So Ben, I have a couple of questions relative to the dollars, you know that the legislature put in some 200 plus million dollars for private providers, the administration, and their settlement of an agreement with group homes are relative to DDS says used a lot of those fundings. Has your group done an analysis to see what the legislature would have to put in to keep the other private providers, in particular, relative to DMHAS whole?

BEN SHAIKEN: Thank you for the, for the question Senator. I think the the legislature you're absolutely correct included a very significant increase in funding for for private providers of Human Services, but as, but as you said, a pretty substantial portion of that is dedicated to to the settlement that was reached with with group homeworkers who had, who had been had gone on strike a week ago. I think the, the difference in funding, I don't know that I have an exact number for how to

keep DMHAS specifically whole, because it's unclear exactly how the remainder of dollars are our plan to be distributed, based on the language that was was passed on on Wednesday, and you know, as you all know that language is absent and implemented, and so we there's a lot of question marks when you just sort of read the Bill about exactly what the legislators intentions behind funding.

But the difference in total, is is that there is approximately $124 million dollars appropriated over the biennium to the DDS contracts and approximately $23.1 million dollars, not 0.2, excuse me, in the biennium for providers of all other Human Services so that's department of corrections, housing, public health, DSS, DCF, etc. DMHAS is included in that. There's also in in the budget $30 million dollars in each fiscal year appropriated from the American rescue plan, including $30 million dollars in the out year in fiscal year 24, but there is no language in the in the Bill that passed the legislature that governance, its use, and so I don't know and, I don't know yet what the intention of that funding is and that's something that we're concerned with as well.

SENATOR OSTEN (19TH): So thank you for that. And it looks like there are coal is directly for private providers total 13.5, 13.15 in in year one and 13.15 in year two. Do you think in combination with what they're trying to do here with the rate increases that this will stabilize this workforce.

BEN SHAIKEN: Thanks that's a that's a good question and, and I think it's important to put sort of what that what that may mean for providers in the context. When you combine the 13.1 with the money appropriately, the general fund it's 23.1 and that's, that's probably equal, we think to about a 3% cost of living adjustment on contracted services. In residential programs were there, you know which is sort of one of the parts of behavioral health system where there are our staff working at all all

sorts of levels of the wage scale for someone who's currently making $15 dollars an hour that's a 45 cents an hour increase.

The negotiated settlement with with the Union, both for IDD group homes and for nursing homes increases the minimum wage and those systems by the end of next fiscal year too, more than $17 dollars an hour so, the short answer after the long answer, Senator is know that funding is not sufficient to equalize the workforce disparity at the low end of the wage scale in these substance use residential programs.

SENATOR OSTEN (19TH): Well, thank you for that and and the intention of the legislature, when we put the private providers that was to bring all private providers up at the same time, the administration made some changes to that in sign the agreement relative to the issue, so we are still looking at this issue.

But my concern has been, and still remains today that the by making decisions based on the settlements that we're going to further discourage people from entering other workforces that don't have the same mechanism to to "force the administration into a settlement deal with other private providers", it very much concerns me that that this happened this year, which I I look on as an historic year both Representative Walker and I worked for months on it to make sure that we were spreading things around sort of in a pair representation and this worries me immensely. Thank you very much Madam Chair. Thank you Ben.

BEN SHAIKEN: Thank you, Senator.

REP. ABERCROMBIE (83RD): Thank you, Senator. Representative Walker do you have any questions or comments.

REP. WALKER (93RD): No, I think my Co-Chair summed it up pretty well, we are disappointed in what has

happened, and we hope that we'll be able to get some sort of support and relief to address that in the next couple of days, and thank you and thank you Ben for all your work and and and your advocacy for nonprofits and for people that serve the Community to Connecticut constituents, so thank you very much.

BEN SHAIKEN: Thank you Madam Chair, it's really great to see you.

REP. ABERCROMBIE (83RD): Thank you. Representative Dillon.

REP. DILLON (92ND): Thank you very much, Madam Chair. Mr. Shaiken, I realized, given what you just said that you just got a run in the three hour meeting yesterday so I don't want to ask you a question that's unfair to you because you're still trying to figure out the dollars, but going forward I wonder if you could help us understand the impact of both these decisions on access to care and that's not always really obvious. We had a very detailed discussion about that, when they were previous proposals concerning blue hills when people would have been sent over to CVA, there's been a whole lot of but to proposals that sometimes for an attempt to deal with issues that when you really came down to it, didn't make sense if people needed access.

I don't know if you have all of that information from your members, and I would never expect you to have it today, given what we just learned you just learned, but it would be really helpful if you could give us that information later.

BEN SHAIKEN: Thank you, Representative. Just to address the first part of your comment first. You are correct, you know providers of these services have over the last two weeks just been you know, been receiving the proposed initial proposed rates as Bill said earlier. It's going to take providers sometime to sort of run the numbers and the reason for that is is because, in addition to you know,

this is the new rate or the proposed new rate the service model is proposing to change significantly and so they have to not only just sort of plug the numbers, they can't just plug the numbers into their existing program.

They have to sit down and plug the numbers into what a potential staffing model could look like or wouldn't look like under the methodology that you're considering today and that's that's a pretty complicated process and there's a lot of variables to it. You know, again, I just want to stress that we are, I think, pleased so far with the collaboration from the Department.

There are a lot of things that go into how the department and how their their consultant determine what they think the rate should be, and all of those things are areas where, we're providers may have a different opinion and so that's where we sort of go back and forth about Hey, you know what's the hourly rate you use for this position, we can't find them for this much it actually needs to be that much or well my health insurance costs this much new use this much, so those kinds of things are where we go back and forth.

But you know, I will say if we get to a place when the rates are finalized, where they are you know they are not sufficient, especially when you consider the eventuality of the grant funding going to to fund the state. The State share of these services and, in part, at least, that it is something that is going to be very difficult to maintain, you know the access to care that that we have in the state, which is already a challenge for substance use residential services for for substance use services overall and so you know, this is an area of service that you know Human Services that has been underfunded, for a very, very long time, and so it is a very difficult proposition to make changes to that service model and and have them be

budget neutral and have those changes improve access to care.

So, I think that's sort of how to answer your question that, in addition to these changes there really needs to be an infusion of dollars into the behavioral health system in a mental health and substance abuse services. So, so that so that providers can expand their services can improve the quality of care, can pay their staff better all of those things.

REP. DILLON (92ND): Thank you and I guess, I also want to thank the appropriate Chairs for the leadership role that they played during the budget process. We're in a different place right now, and if we're going to serve the people, we need to figure it out, thank you very much thank you.

BEN SHAIKEN: Thank you.

REP. ABERCROMBIE (83RD): Thank you Representative, any further questions, or comments. Seeing none, I will close this public hearing and we will move on to the Committee meeting.