

MARCH 25, 2021
Human Services Committee
Public Hearing on:
H.B. 6636 An Act Concerning COVID-19 and Enhanced Federal Medicaid Funding

Good afternoon Senator Moore, Representative Abercrombie, Senator Berthel, Representative Case and members of the Human Services Committee:

I am Diane Manning, President and CEO of United Services, Inc.

United Services is the Local Mental Health Authority for 21 towns in Northeastern Connecticut. We are a nonprofit organization providing more than 30 programs to our community, including Outpatient Mental Health, Substance Abuse Treatment, Community Support Programs, Family Programs, and Crisis Services.

Thank you for the opportunity to provide testimony in **support of H.B. 6636 An Act Concerning COVID-19 and Enhanced Federal Medicaid Funding.**

Through the American Rescue Plan, Connecticut is set to receive a significant increase in federal matching funds for Medicaid. The ARP funding that is now available includes additional matching funds for Medicaid that can and should be used to support nonprofit provider services through increased rates and other compensation to providers. Most Medicaid rates have been stagnant for years, while the cost for providing services has risen continuously.

At United Services, at least half of our clients use Medicaid for their primary insurance for outpatient treatment services. We receive contract funding that is sometimes called a grant to support services that are not reimbursable, like case planning and coordination with hospitals, courts, and non-clinical providers, family supports, education for clients, and the oversight necessary to maintain licensing and accreditation. Medicaid is intended to pay for the actual billable treatment services that are provided for clients. However, the current rates only pay us for about 75% of the cost of services delivered. This results in significant revenue loss for our agency every day. It also means that we cannot add capacity, since you don't make up losses like this on every service by adding volume!

We are committed to providing critical services to our community regardless of an individual's ability to pay. The General Assembly can help us in meeting the community need – which we have seen skyrocket due to COVID-19 – by using the federal Medicaid increase as it is intended - to pay providers who are delivering these services to vulnerable populations.

United Services has remained open throughout the pandemic. Our staff have continued to work with clients to support them where they really need us, in the community. Some of our programs are currently operating at a more than 200 percent increase in services over the previous year.

Both our agency and our staff are underpaid for this important work. When we are not paid fairly for our services, we are unable to pay our staff a competitive wage, making it more difficult for the agency to recruit and retain qualified staff.

Services such as Targeted Case Management are also supported by Medicaid. Under the current practice, we provide services under a fixed contract amount, and the services are reimbursed to the General Fund. Any increases in rates for Targeted Case Management Services should also be passed along to providers who are doing the work every day. These services reduce hospitalizations and assist individuals in living independently in the community, resulting in lower health care and social service system costs.

United Services has worked toward Creating Healthy Communities in northeastern Connecticut for more than 55 years. We are dedicated to improving and saving lives, and our work helps the state to reduce healthcare and social service system costs.

Congress intended for the American Rescue Plan to help Americans across the country get to the other side of COVID-19. Please help us to ensure that residents of northeastern Connecticut have those same opportunities.

We urge the Committee to support H.B. 6636.