

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

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

My name is Chris McNaboe, CEO of Horizons, a private nonprofit agency providing essential services statewide to our citizens with developmental disabilities for over 40 years. Our agency supports over 1700 people annually where they live, work, learn and play. Our staff are among the 117,000 professional staff that make up 12% of Connecticut's work force.

Thank you for the opportunity to provide testimony in **support of H.B. 6636 An Act Concerning COVID-19 and Enhanced Federal Medicaid Funding**. The American Rescue Plan is expected to bring \$10 billion into Connecticut, with over \$4 billion going directly to state and local governments. Connecticut is set to receive a significant increase in federal matching funds for Medicaid, including a 10% increase for Home and Community Based Services as well as the continuation of the 6.2% increase that began in the Spring of 2020. While nonprofit providers were allocated a portion of the Coronavirus Relief Fund, those funds were spent months ago, and the State has not used the increased federal Medicaid match to increase rates or otherwise compensate providers.

**Community nonprofits have been on the frontlines of the COVID-19 pandemic.** At Horizons we never closed our doors and we have been meeting the needs of people with developmental disabilities despite the risks. COVID-19 brought unanticipated and unbudgeted costs and operational challenges us and Medicaid is a significant source of our funding.

Our staff retention and recruitment are at a crisis level. Our overtime has increased more than 8x compared to the pre-pandemic period of December through mid-March of FY20. Our recruitment is down more than 40% compared to similar time pre-pandemic. We cannot compete with wages on the open labor market. So we are following further and further behind on staffing. Soon overtime pay will not cover the difference in hiring vs attrition. The only option will be to reduce services. This is obviously not sustainable.

Adding gas to this fire is the unintended effect of the increase in the minimum wage, as compared to the \$14.75 DDS providers were given as a starting wage in January 2019. **Horizons and other non profit providers cannot pay staff minimum wage. They are professionals and need to be compensated as such.**

COVID has only magnified how difficult it is to hire and train professional staff. A lot of people would rather work from home. We **Can't!**

We have had to turn away people requesting new services because **we don't have the staff.** We receive at least 4-6 calls per week from families and individuals who would like our services. We have had a waiting list for years from people waiting to get funding from DDS for services.

We have had to reduce the time we support many individuals and their families because **we don't have enough staff.** We have had to stop providing transportation to some of our folks because **we do not have the staff.** We have had to delay or forgo supporting people with DD in paying jobs because **we do not have enough staff.**

The COVID-19 pandemic exacerbated the impact of inadequate funding for nonprofit services and brought unanticipated and unbudgeted costs and operational challenges for many community nonprofits. We never closed our doors and that came at great risk to our staff and people we support. But we pressed on with the hope of being finally able to be recognized as essential. We need to pay our staff a living wage. **Many of our staff are on Husky insurance, receive energy assistance and food stamps because in spite of working full time they still cannot afford the basics. That must end!**

As you may know, community nonprofits have **requested that the legislature appropriate \$461 million over the next five years for community nonprofits.** Since 2007, community nonprofits have lost at least \$461 million in state funding that has not kept pace with inflation or adequately covered increased costs and demand for services over the last thirteen years. COVID-19 has only exacerbated those challenges.

Nursing services, soaring insurance costs, increases in utility expenses, increase in cost of supplies, gas for vehicles, unfunded mandates --literally every cost we incur goes up but our **Medicaid rates do not!**

Many hundreds of thousands of dollars have been spent on facilities to promote social distancing, enhanced cleaning and sanitizing, PPE, computers and other electronic devices to allow virtual supports. Not sustainable.

Many hundreds of thousands of dollars have been spent on hazard pay, retention bonuses and other absolutely pandemic related necessary expenses.

Individuals we provide services to have lost jobs they held for many years. These community-based jobs took years to cultivate and are difficult to replace. Some have lost income they used to pay for rent, food, utilities. New jobs will need much effort to carve out.

Individuals have increased medical and mental health needs. Some individuals need more support than they needed before the pandemic. It is likely they will need this higher level of support well after the pandemic ends.

The wage inequality our staff suffer has increased the pandemic challenges for them. On one occasion this past summer a staff person lived in a tent in a state park.

Medical insurance premium increases in rates have been passed onto staff causing them to pay even more out of their base pay. Staff are unable to pay the high deductible year after year. They need to leave our employment or enter bankruptcy. Not Sustainable.

We no longer compete with the wages of nursing on the open labor market, yet our mandatory nursing services increase every year. Not Sustainable. Sustainable leadership has been jeopardized as we are not competitive for future leaders. Non-profits are closing statewide. Closures and consolidations reduce choices and services. This reduces the quality of Connecticut communities. Every year for the past 14 years Horizons has declined services needy individuals and their families because we don't have enough staff and leadership.

Because a substantial portion of the \$461 million restoration for community nonprofits will be to provide increased Medicaid rates, the **enhanced FMAP is a one-in-a-lifetime opportunity for the Connecticut General Assembly to address these needs**. This influx of federal funding combined with the state's strong Rainy Day Fund, and more than \$400 million in unexpended Medicaid funds, puts the state in the unique position to use those funds to directly support nonprofit programs and fulfill their needs without complicating the state budget process.

Congress intended for the American Rescue Plan to help Americans across the country get to the other side of COVID-19, and this bill would provide significant support to help community nonprofits emerge from COVID-19 intact and more ready to meet the needs of our communities.

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