

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

Distinguished members of the Human Services Committee, my name is Pamela Paisey and I am the CEO of Community Residences Inc. (CRI), a nonprofit provider of day, residence, and family supports to more than 700 children and adults with special needs across many Connecticut communities. CRI employs approximately 1000 staff. I am offering testimony on H.B. 6636 as a member of the Connecticut Association of Nonprofits on behalf of our employees.

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.** CRI never closed the doors and has been meeting the needs of the communities we serve despite the risks. This pandemic brought unbudgeted costs and challenges for CRI, such as:

- Providing hazard pay and paid sick leave for essential front-line workers;
- Procuring expensive and scarce PPE;
- Adapting to unprecedented workforce and consumer challenges;
- Providing two weeks paid sick leave for COVID related illness regardless of whether or not required;
- Maintaining employment status for all without the benefit of PPP funding;
- Continuing to staff people's residences even as the pandemic worsened and staff became ill.

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. Demands for service quality continue to increase while flat funding does not allow for growth.

- We have gone 13 years with no COLA while the cost of living has risen significantly.
- Raising direct care staff to \$14.75 two years ago was welcome but did not address other costs.
- Private sector staff do not have parity with public sector staff doing exactly the same job.
- National movement toward a minimum wage of \$15.00 puts the salaries of Direct Support Professionals back to minimum wage.
- Many of our staff work two jobs just to survive.
- Currently, places such as Costco, Amazon, Target are paying more than \$15.00/hr. This makes it difficult for us to attract and retain qualified, dedicated staff.
- Flat funding does not allow for retention. Survey of our staff shows low pay is a leading cause of high turnover – that can reach 50% annually in the field as a whole.
- Our staff worked through this pandemic, risking their lives to take care of the most vulnerable individuals. They are essential. Essential staff need to be recognized and compensated for risking their own safety to ensure the safety of others. If we want them to be here in the future, we need to ensure they have a livable wage now.

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 stronger and ready to meet the needs of our communities.

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