

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:

My name is Bill Valentine. I am the Chief Financial Officer for Network, Inc. Network is a non-profit that serves 258 constituents and employs 390 staff within the Intellectual and Developmental Disabled community throughout northeastern and central Connecticut.

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. Many never closed their doors and have been meeting the needs of the communities they serve despite the risks. COVID-19 brought unanticipated and unbudgeted costs and operational challenges for community providers, and for many, Medicaid is a primary or significant source of funding.

Our employees have pulled through this pandemic working around the clock to ensure safety of those served. The astounding amount of overtime employees are working to get the needed hours of coverage has led to diminishing level of care to the folks we serve. We have incurred over \$400k of operating expenses as of our last fiscal close and have incurred roughly \$250k more since then.

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.

Previous budget cuts and chronic underfunding year after year have negatively impacted our organization, the people we serve and the staff we employ, which effects the community as a whole. The constituent lack of funding equates to a wage that is barely above poverty level. The chronic underfunding does not allow us to offer many full time benefited positions or any cost of living increases. The majority of our direct care workers who only have a single income stream have to work an excessive amount of hours and/or multiple jobs to meet growing financial needs necessary to support their families. Working in this field requires strength and commitment to take care of some of the most challenging and vulnerable folks of our state. Our staff are responsible for all aspects of direct care including med administration, physical and occupational therapy, dietary, housekeeping, transport and appointment management, etc. It has been difficult to hire when the high level of

responsibility does not match the low rate of pay we can offer. Network currently has 70 open part time positions that equates to over 3000 hours bi-weekly that we are unable to fill. This hardship has left us no choice but to staff over two-thirds of our open hours at the overtime rate, incurring a significant amount of additional revenue spent every pay period. The amount of overtime continues to rise each month due to not being able to adequately hire new employees.

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 more ready to meet the needs of our communities.

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