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February 21, 2020

Senator Catherine A. Osten, Co-Chair
Representative Toni E. Walker, Co-Chair
Appropriations Committee
Legislative Office Building, Room 2700
Hartford, CT 06106

Re: Mosaic's Written Testimony on H.B. 5005

Dear Co-Chairs Osten and Walker and Members of the Appropriations Committee:

Mosaic is providing written testimony on H.B. 5005, An Act Adjusting The State Budget For The Biennium Ending June 30, 2021. Thank you for the opportunity to provide information to the Committee, and Mosaic values your work on behalf of Connecticut. Mosaic supports including an appropriation of \$461 million over five years for community nonprofits in H.B. 5005.

Community nonprofits provide essential services in every city and town in Connecticut, serving people in need and employing tens of thousands. Community nonprofits make Connecticut a great place to live and work. Mosaic is a nonprofit healthcare organization serving more than 4,500 people in ten states, including services to over 150 in Connecticut. Services are tailored to meet individual needs and goals, allowing people to be as independent as possible and services are designed for people with disabilities, mental and behavioral health needs and autism, as well as aging adults. In Connecticut, Mosaic provides 24-hour residential support, behavioral health, day services, shared living, supported living, and transportation services.

Mosaic respectfully requests that the legislature appropriate \$461 million over five years for community nonprofits. Since 2007, community nonprofits have lost at least \$461 million in state funding, which has not kept pace with inflation or adequately covered increased costs and demand for services over the last thirteen years. Please support the following:

1. Commit to increasing funding by the full \$461 million, or 28%, by Fiscal Year 2025;
2. Appropriate \$128 million (a state net of \$67 million after federal reimbursement) in new funding for community nonprofits in Fiscal Year 2021, a 7% increase;
3. Index increases to inflation, to ensure that state funding will keep pace with increased costs in the future.

First, increased funding appropriation will help Mosaic address critical workforce shortages. Mosaic in Connecticut has a 43% turnover rate and has 38 vacant positions in its direct care workforce. The additional funding will allow Mosaic to better retain staff and make investments to bolster its services in communities across Connecticut. One consequence of stagnant rates is high turnover and an inability to compete with other industries to recruit and retain staff. Mosaic struggles to offer competitive wages and benefits for difficult, although meaningful, work, which is exacerbated when unemployment rates are low. Wages must ensure those caring for others are also able to live healthy meaningful lives. Communities rely heavily on nonprofit healthcare providers to promote meaningful lives through quality services. For communities to prosper, people must be able to reinvest earnings back into the community.

Second, increased funding will ensure that nonprofit providers and people with disabilities do not unnecessarily continue bearing the costs of an underfunded system. People with disabilities, their loved ones, and the greater community, including the State of Connecticut, rely on nonprofit providers to achieve outcomes that promote meaningful lives in the community. If providers have to bear the entirety of increasing costs, it will lead to decreased financial stability for nonprofit providers, fewer programs and choices for people with disabilities, negative impacts on staff recruitment and retention, and the potential reduction of nonprofit providers.

It is important to recognize that Medicaid is essentially the only payer for providers of services for people with disabilities. Fully-funded rates are necessary to meet the needs of people with disabilities in Connecticut. For example, Mosaic is 95% Medicaid funded. Mosaic is a price taker and cannot set prices, increase reimbursement rates, or shift cost burdens to non-Medicaid funded constituencies such as private insurance. All providers rely heavily on the federal/state Medicaid partnership to ensure its costs are covered. Because Medicaid reimbursement rates are directly connected to service outcomes, rates must reflect the actual costs of providing services to people with intellectual disabilities.

Finally, Mosaic respectfully recommends that the Committee consider the following related to the Governor's human services budget request:

- Department of Social Services
 - Please support the Governor's proposal to add \$47.1 million in funding to reflect caseload growth distributed to HUSKY B, Medicaid, Old Age Assistance, Aid to the Blind, Aid to the Disabled, TANF, Connecticut Home Care Program, Community Residential Services, and State Administered General Assistance. Too often, caseload growth is not funded in the state budget and demand has increased for these crucial services.
 - Please support the Governor's proposal in the DSS and DDS budgets to create an incentive payment model to help move people with Intellectual/Developmental Disabilities into less intensive and more appropriate levels of care.
 - Please ensure that this new program furthers the creation of a better continuum of care that provides the proper services for everyone who is eligible for them.

- Please also do not just use the savings it creates to balance the budget, instead taking the opportunity to reinvest that savings into increasing rates and/or moving people off the waiting list.
- Department of Developmental Services
 - Please support the Governor's proposal in the DSS and DDS budgets to create an incentive payment model to help move people with Intellectual/Developmental Disabilities into less intensive and more appropriate levels of care.
 - Please ensure that this new program furthers the creation of a better continuum of care that provides the proper services for everyone who is eligible for them.
 - Please also do not just use the savings it creates to balance the budget, instead taking the opportunity to reinvest that savings into increasing rates and/or moving people off the waiting list.
 - Please oppose the Governor's proposal to cut \$2 million from the Behavioral Support Program. The Governor's budget says that cut reflects "natural attrition." If that is the case, the funding should be reinvested to increase rates for those services.

For the above reasons, Mosaic respectfully requests the Appropriations Committee include \$461 million over five years for community nonprofits in H.B. 5005. Thank you, again, for the opportunity to provide written comments on H.B. 5005. Please do not hesitate to contact me with any questions.

Sincerely,

Andrea M. Ferrucci
Vice President of Operations
Mosaic in Connecticut