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Testimony Submitted to the Appropriations Committee:

H.B. No. 5005, AN ACT ADJUSTING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE 30, 2021.

Submitted By: Barry Simon, President & CEO and Stan Soby, V. P., Public Policy & External Affairs

February 21, 2020

Good evening Senator Osten, Senator Formica, Representative Walker, Representative Lavielle and distinguished members of the Appropriations Committee. My name is Stan Soby and I am the Vice President for Public Policy and External Affairs for Oak Hill. Oak Hill has been providing services for 125 years and is a leader in providing the highest quality community-based programs; through education, assistive technology, programs and advocacy, we support people at every stage of life. Oak Hill, has over 20 distinct programs; some 150 program sites, classrooms, and homes located in 77 towns. Oak Hill employs over 1,700 professionals to successfully help meet the changing needs of close to 40,000 people with disabilities each year. Every day, our dedicated employees work to fulfill our mission - that Oak Hill does set the standard in providing education and lifelong learning opportunities to enhance independence and quality of life for people with disabilities. We are among the 400+ member agencies of the Alliance, the voice of Community Nonprofits. I am here today on behalf of those we serve, my incredible colleagues (a large number of whom are SEIU-1199 union members) and hundreds of thousands of individuals served by the community provider system.

As Connecticut's largest Purchase of Service (POS) provider of services for people with disabilities, Oak Hill has found it very difficult to do business in the State with **13 years** and counting of either no net increases or actual decreases in our rates. As an agency, we have had no choice but to close programs, make reductions in others, reduce staff, and reduce benefits due to state budgeting and policy decisions. These actions have real impacts on the people we serve, their families and our employees.

I am here to respectfully **request that the legislature appropriate \$461 million over five years for community nonprofits**, all of which would be 50% Medicaid reimburseable. Since 2007, community nonprofits have lost at least \$461 million in state funding due to service rates that have not kept pace with an inflation rate of 28% over that time or adequately covered increased costs and demand for services over those thirteen years.

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

Our Mission: Oak Hill sets the standard, partnering with people with disabilities, to provide services and solutions promoting independence, education, health and dignity.

- Please set rates that cover provider costs, including the technology needed to support people in this way.
 - Please use savings this model creates as a reinvestment in the service system for increasing rates for existing services and/or moving people off the waiting list, which will create longer-term savings for the State.
- Please **re-invest** the proposed cut of \$2 million from the Behavioral Support Program. Given Commissioner Scheff's testimony this morning, funding should be reinvested to increase access and rates for the services provided to families under the waiver.
 - Please take full advantage of Medicaid rate reimbursement for technology costs, not just for State systems, or for individuals served, but for providers as they work to meet the requirements of the 21st Century Cures Act and those requirements set by State agencies.

Connecticut's community nonprofits deliver the state's core services, yet we have been forced to operate on flat rates, repeated rescissions, and chronic underfunding. We are 'price takers', not 'price setters'. We are not able to raise our rates to cover costs; you control that with the decisions you make on allocating funds. Doing more with less was a short-term approach needed during the recession, but it is not a sustainable option. Our organizations have become 'anorexic'. The individuals served by community nonprofits are children and parents, our neighbors and friends. Without community services, they will have no place to go to meet their needs, or will be forced into costlier alternatives such as emergency rooms. Please recognize that nonprofit services are essential and necessary to the social services infrastructure of the State. Please do not continue to describe sustained revenue growth as 'one-time' revenue when it comes to funding our services.

We appreciate the past legislative initiative that gave us pass through dollars to raise the wages of some, but not all of, our deserving employees, the majority of whom are women and people of color. We continue to be challenged by other industries who have raised their hiring wage to \$15 per hour or higher. While understanding the rationale for doing so, we will be challenged by DDS's hiring of part-time staff, as it will be at a wage almost 50% higher than we nonprofits can offer. What is needed now are adequate rates. Without adequate rates, no rate setting methodology can fix the problems in the DDS Community Residential Services programs. Without adequate rates, the waiting list cannot be reduced. Without adequate rates, we cannot pay our employees livable wages.

In the past, the legislature has proven that it takes the needs and well-being of Connecticut's residents seriously. If you really want to lead and talk about values, then vote on a budget that represents the value of the community nonprofit providers, our employees, and those we serve or who are on wait lists for the services we provide. Failing to invest now in health and human services (the largest employment sector in the State) means that we as a state will pay much more down the road. Connecticut needs to invest in its priorities. Community providers improve and save lives. They also create jobs, strengthen the economy and the safety and security of our communities.

Thank you for your time and consideration of these important issues. I am happy to answer your questions or provide additional information.