



*Written Testimony before the Appropriations Committee
Submitted by the Department of Social Services
March 25, 2022*

H.B. 5434 - AN ACT CONCERNING LEGISLATIVE APPROVAL OF THE EXPENDITURE OF FEDERAL BLOCK GRANT FUNDING

The Department has concerns related to this bill, which would amend Section 4-28b of the Connecticut General Statutes to require additional legislative review and approval when state agencies receive subsequent allocations to previously approved block grants.

Section 4-28b currently sets forth the process by which the Governor submits recommended allocations of any federal block grant funds to the speaker of the House of Representatives and the president pro tempore, who will in turn submit recommended allocations to the legislative committees having cognizance over appropriations matters and the particular subject matter of the block grant. In advance of the submission of the recommended allocation plan for legislative approval, the recipient agency submits the proposed allocation plan to the Office of Policy and Management for review and approval before they are officially transmitted to legislative leaders. Once submitted, the legislative committees of cognizance then have thirty days to advise the Governor of their approval or modifications, which is typically completed through a public hearing, during which the agency head provides testimony in support of the plan and responds to questions and comments before the committee votes.

The current statute also requires that if, after the recommended allocations are approved, there are proposed transfers to or from an approved allocation of over \$50,000 or ten percent of any specific allocation, whichever is less, the proposed transfer is subject to the same legislative review and approval process as described above.

This bill seeks to further apply the same legislative review and approval process in cases where the state receives federal block grant funds of \$10,000 or more that is in addition to those funds that were the subject of the previously approved recommended allocations. While the Department understands the role of the legislature in decisions pertaining to the distribution of funding through federal block grants, we have concerns with the extension of the legislative review and approval process under these circumstances.

DSS administers several block grants, including the Low-Income Home Energy Assistance Program, the Community Services Block Grant, and the Social Services Block Grant. For each of the block grants, the Department prepares and submits to the legislature a proposed allocation plan. In most years, the allocation plan is based on an estimated level of funding, based on the prior years' experience, as the actual funding levels are rarely released in time to prepare the plan. This may result in the receipt of "additional" funding – beyond the levels assumed in the

plan – when the actual funding levels are released. Further, throughout the federal fiscal year, our federal partners may provide additional funding for a variety of reasons. When this has occurred in the past, our federal partners have dictated the use of those funds and/or have provided a specific period of time during which the funds must be expended or returned to the federal government. In most cases, the directive is to allocate the additional funds among the approved allocations in the original plan. The proposed bill would require an unnecessary administrative process where there may be little or no flexibility in how the funds are to be used.

The Department supports the current legislative review and approval process for the allocation of the annual federal block grant funding. Given section 4-28b's existing legislative review and approval processes, including review and approval of subsequent transfers of over \$50,000 or ten percent of any specific allocation, and for the reasons described in this testimony, the Department believes adding an additional process is unnecessary and may unintentionally result in delays in the availability of the additional funds to the Department and the distribution of the funds to our community providers.

The Department opposes this bill for the reasons stated above. The Department would, however, be receptive to providing notice of the receipt and allocation of such additional funds to the legislative committees having cognizance over appropriations matters and the particular subject matter of the block grant.

H.B. 5435 - AN ACT ESTABLISHING A TASK FORCE ON SUBSTANCE USE DISORDER SERVICES AND THE EXPENDITURE OF OPIOID LITIGATION SETTLEMENT FUNDS

House Bill 5435 establishes a task force to study substance use disorder (SUD) programs and services and to make recommendations concerning the expenditure of opioid litigation settlement funds.

The task force is charged with examining issues such as the treatment and rehabilitation services currently available and that are needed, the regulation and operation of facilities, and the state's current expenditures on programs and services for SUD, with recommendations for anticipated funding needs in the future.

The Department appreciates the intent of the task force but proposes that it is not needed. DSS is engaged in various and ongoing review of SUD programs, most notably, the Connecticut Behavioral Health Partnership Oversight Council (CT BHPOC) and the Alcohol and Drug Policy Council (ADPC) and the various subcommittees of these councils.

Further, DSS respectfully suggests that the opioid settlement issue is better served by House Bill 5044, An Act Implementing the Governor's Budget Recommendations Regarding the Use of Opioid Litigation Proceeds. HB 5044, which establishes an Opioid Settlement Advisory Committee, has a similar intent and accomplishes a similar goal as this bill, but also includes the requirements negotiated by the Attorney General's recent settlement agreement.

As such, the Department cannot support this bill.

S.B. 406 - AN ACT CONCERNING RATE INCREASES FOR COMMUNITY SERVICE PROVIDERS

Senate Bill 406 establishes a task force to study community service provider rates. While the Department understands the legislature's commitment to reimbursement and rate analysis, DSS respectfully suggests that this task force is duplicative and not needed.

The task force is charged with studying the disbursement of state funds to providers for rate increases, the need for rate increases for capital improvements and operational costs, and provider staff wages.

Currently, the legislature's Medical Assistance Program Oversight Council (MAPOC) holds monthly meetings with DSS, stakeholders, legislators, providers and others. MAPOC provides legislative oversight of the Medicaid HUSKY Health program and advises DSS on matters including program planning and implementation, eligibility standards, benefits, health care access, and quality measures.

Additionally, in 2005, the legislature established the Behavioral Health Partnership Oversight Council (BHPOC), to advise the Departments of Children and Families, Mental Health and Addiction Services, and Social Services on the planning and implementation of the Behavioral Health Partnership. The Behavioral Health Partnership is the multi-agency body overseeing HUSKY behavioral health benefits. The BHPOC provides legislative oversight in areas that include review of the delivery of behavioral health services, review of the contracts between state agencies and administrative services organizations, and ensuring that the ongoing goals and implementation of the Behavioral Health Partnership are being met.

Both MAPOC and BHPOC are collaborative bodies that review and provide input on the Department's rate setting practices and are able to offer input throughout the process. In addition to participation in these groups, DSS participates directly in frequent direct discussions with providers and legislators. Recent public hearings have also been an opportunity for public and legislative input.

Additionally, DSS notes that there have been significant recent investments in rates. Specifically, dental, home health, waiver services, pediatric inpatient and substance use disorder rates have all seen meaningful increases.

For these reasons, DSS cannot support Senate Bill 406.