Written Testimony before the Appropriations Committee
Submitted by the Department of Social Services
March 18, 2021

H.B. 5431 - AN ACT CONCERNING FUNDING RECEIVED BY THE STATE UNDER THE FEDERAL AMERICAN RESCUE PLAN ACT.

Section 36 of Public Act 21-2, June special session, required the Department of Public Health to establish a community health worker grant program to provide grants to community action agencies that employ community health workers who provide a range of services to persons adversely affected by the COVID-19 pandemic. Community health workers provide a variety of valuable services in the community to people in need of support, outreach, counseling, and advocacy, among other assistance.

Sections 2 and 3 of this bill revise sections 36 and 37 of Public Act 21-2, June special session, and place the community health worker (CHW) grant program under the purview of the Department of Social Services, rather than the Department of Public Health. This change will more closely mirror the intent of the original legislation.

DSS supports sections 2 and 3 and respectfully suggests a minor revision to subsection (b) of section 2 noted in italics below:

> (b) The Department of [Public Health] Social Services shall establish a community health worker grant program. The purpose of such program shall be to provide grants to community action agencies that employ *or seek to employ* community health workers [who] to provide a range of services to persons adversely affected by the COVID-19 pandemic. The department may enter into an agreement, pursuant to chapter 55a of the general statutes, with a person, firm, corporation or other entity to operate such program.

This revision would align with the revisions made to subsections (d) and (f). Absent this suggested revision, only those Community Action Agencies (CAAs) that currently employ community health workers would be able to participate in the grant program. DSS believes the original intent of the legislation was to allow all CAAs the opportunity to apply for a grant to participate in the CHW program.

The Department supports section 4 of the bill, which broadens the use of the $10 million allocated in the enacted budget under CSFRF for nursing home assistance. As originally written, the funding was identified to provide temporary financial relief to nursing homes, with such financial relief based on the percent difference between a nursing home's issued and calculated

reimbursement rate. These financial relief grants were to be prorated given the limited amount of funding allocated.

In the fall of 2021, the Administration announced a phased-in transition to an acuity-based reimbursement system over three years, beginning July 1, 2022. When fully implemented and annualized over the three-year period, the state will be investing $45 million ($90 million total including federal share) to rebase rates and support the transition, giving nursing homes more predictability regarding their reimbursement, while also allowing for necessary adjustments to their business models. The Governor's budget includes funding of $12.8 million ($25.6 million total including federal share) in FY 2023 to support the first year of implementation, during which nursing homes can receive additional funding to provide care to those with the highest level of needs, and a guarantee that no nursing home will receive a decrease in their rate because of acuity during that first year. Given this new funding, section 4 of this bill reallocates the $10 million in CSFRF funding to extend the current temporary rate increase of 10% for an additional month. (The enacted budget includes funding to support a temporary 10% rate increase for the nine-month period from July 1, 2021, through March 31, 2022.) By using Medicaid funds to support the extension of the 10% temporary rate increases for April and May 2022 and this $10 million in CSFRF funding to cover the costs for June 2022, nursing homes will receive over $29 million to support staffing costs and other expenses related to the public health emergency over the course of this three-month extension.

Section 5 of the bill clarifies that the language in section 325 of Public Act 21-2, June special session, which requires DSS to increase the minimum per diem, per bed rate for intermediate care facilities (ICFs) to $501, is for the purpose of providing pandemic-related support. The Department supports section 5, as it clarifies the original intent of the rate increase. It should be noted that the enacted budget included state funding of $1.6 million in each year to establish the minimum rate of $501 for FY 2022 and FY 2023. The expectation at the time was that this temporary increase for ICFs would be federally reimbursed. However, because this provision would result in payments to ICFs that are in excess of their actual costs, the state is unable to claim federal reimbursement on these costs as the state would be exceeding the federal upper payment limit. Recognizing that the purpose of the temporary increase was to provide pandemic-related support to those facilities that were being reimbursed at lower levels, the Governor's recommended budget shifts funding for this initiative in FY 2023 (estimated at $2.8 million) to CSFRF.

The Department supports section 6, which strikes a provision added to the statute governing DSS' Temporary Family Assistance (TFA) program at the close of the 2021 special session. The provision requires DSS, beginning in FY 2024, to provide a cost-of-living adjustment (COLA) whenever funds appropriated for TFA lapse at the close of the fiscal year, under the following conditions: (1) the adjustment has not already been included in the budget; and (2) the increase would not create a budget deficiency in succeeding years. This change results in potentially one-time lapsing funds being repurposed to support the ongoing permanent cost of COLAs. It is also unnecessary as section 17b-104 of the general statutes already provides for automatic COLA increases without limiting administrative flexibility by conditioning increases upon a lapse. Legislative action is required for these COLAs to not occur – by amending section 17b-104. Thus, if the legislative intent is to preserve COLA adjustments, then the optimal manner to

handle this would be to ensure that section 17b-104 has not been modified to remove the COLA for the year in question.

Thank you for the opportunity to provide testimony on House Bill 5431.

H.B. 5433 - AN ACT ESTABLISHING A COUNCIL ON MENTAL AND BEHAVIORAL HEALTH PROGRAM OVERSIGHT.

The Department appreciates the intent of this bill, which establishes a council on mental and behavioral health program oversight. However, DSS would suggest that this council would be duplicative and is not needed.

As proposed, the council would advise the Department of Mental Health and Addiction Services (DMHAS) on the planning and implementation of behavioral health services and programs and monitor planning of program initiatives, including eligibility standards, benefits, access, quality assurance, and outcome measures.

While the Department agrees that this is an important initiative, DSS would suggest that this work is currently being done by the legislature's Behavioral Health Partnership Oversight Council (BHPOC). BHPOC was established pursuant to Public Act 05-280, and later amended by Public Act 10-119. The Council advises the Department of Children and Families, DMHAS, and DSS on the planning and implementation of the statutory Behavioral Health Partnership. The Council is comprised of legislators, state agencies, advocates, and behavioral health consumers and holds monthly meetings. There are also several subcommittees that meet regularly and are charged with more precise issues surrounding behavioral health, such as coordination of care, child/adolescent quality and access, and diversity, inclusion and equity.

DSS thanks the committee for its focus on the important work to be done surrounding behavioral health. While the Department is not opposed to the concept, it would be our suggestion to seek to consolidate and focus on expanding the reach and work of the BHPOC rather than creating duplicative efforts with an additional council.

S.B. 34 AN ACT CONCERNING FUNDING FOR THE COVERED CONNECTICUT PROGRAM

This bill proposes to expand the Covered Connecticut health care insurance program to families and individuals with income up to 300% of the federal poverty level (FPL). The Department appreciates the intent of this bill and supports the goal of reducing uninsured rates in the state. The Department also appreciates this Committee's support for, and interest in, expanding the Covered Connecticut program.

The Covered Connecticut program was established during the 2021 legislative session. The program was developed to provide no-cost health care coverage for individuals with income too high to qualify for HUSKY but not exceeding 175% of FPL. Coverage is centered around silver-level qualified health plans that eligible residents can select on the state-based marketplace (Access Health CT), with the addition of dental and non-emergency medical transportation

benefits through the HUSKY provider network. The program will pick up all premiums and cost-sharing that would otherwise be the responsibility of the eligible individual, so that eligible individuals will have no out-of-pocket costs.

The Department, in partnership with the Office of Health Strategy, the Insurance Department, and Access Health CT, is still in the early stages of operationalizing the program and securing federal funding in support of the program. DSS is currently in the middle of the complex process of seeking a waiver under Section 1115 of the Social Security Act, as directed by section 17b-312 of the Connecticut general statutes, which would be the basis of important federal Medicaid funding to support the program. When fully operational, the Department anticipates that nearly 40,000 individuals will be eligible for the program, although it will likely take several years to reach that level of enrollment.

Funding for this level of program participation is expected to be supported through significant federal funding, both through enhanced subsidies for individuals purchasing qualified health plans through the state-based marketplace, as well as from Medicaid through the 1115 waiver. State costs for the current program are anticipated to be $17.3 million in SFY 2023 based upon 18,700 enrollees, and these funds are currently included in the adopted SFY 2023 budget.

The projected level of federal funding for this program is important for the financial sustainability of the program at the current 175% of FPL income eligibility threshold. This federal funding is contingent on both high levels of ongoing federal subsidies as well as federal approval of the 1115 waiver. DSS is working diligently to rapidly secure federal approval in collaboration with our federal partners. Expanding the program by the scope proposed in this bill would very likely require the Department to significantly amend the not-yet-approved 1115 waiver; this process ordinarily takes at least six months and often includes significant challenges to complete. The Department suggests that it would be preferable to see if our federal partners approve the currently pending 1115 waiver request before looking to expand or restart the process.

Furthermore, the Department respectfully suggests that it would be prudent for the state to allow more time for the currently designed structure to come into place and become fully approved and operational before contemplating expansion to a significantly larger population. The Department would also recommend allowing more time to evaluate whether federal Medicaid funding will be available to support an expansion beyond the current 175% threshold.

The estimated cost of the expansion to 300% FPL is also expected to be significant. Earlier estimates of the incremental, annualized state share of the cost of expanding from 175% to 200% of FPL were in the range of $14-18 million. This assumed the approval of the expansion and the availability of federal funds under a revised 1115 waiver, as well as the continuation of additional federal qualified health plan cost sharing provisions included under the American Rescue Plan Act. Increasing eligibility to 300% of FPL would be a significant increase above that amount given the additional number of individuals that would be in the 200 to 300% FPL range.

In addition to the programmatic and fiscal concerns, both related to the overall costs that are not included in the Governor's budget as well as the uncertainty of federal funding to help subsidize both the current program and any expansion, the Department notes that it would require substantial ongoing administrative resources to support a change of this magnitude, as well as start-up resources to implement related system changes.

DSS would also like to note some concerns with the drafting of the bill, which changes the effective dates of coverage that are already in statute, including the July 1, 2021, effective date for the coverage that is currently being provided to parent and caretaker relatives and their tax dependents not older than age 26. The proposed bill also changes the effective start date of coverage for adults without dependents from July 1, 2022, to July 1, 2023, which would delay startup of coverage that the Department is currently working diligently to start as close as possible to the July 1, 2022, date.

The Department recommends that if this bill is passed out of committee that the proposed expansion of Covered Connecticut coverage be added as a separate provision rather than amending the existing statutory language that forms the legal basis for the level of coverage that is currently being provided and anticipated to be provided to adults under 175% of FPL on or after July 1, 2022.

As this proposal would require a significant amount of funding for both services and administration that is not included in the Governor's budget, and because the federal approval of the current program is not yet secured and with the expansion to 175% FPL still being rolled out and anticipated enrollment expected to take several years to reach targeted enrollment levels, the Department cannot support this bill at this time.

S.B. 37 - AN ACT CONCERNING FUNDING FOR AN EXPANSION OF HOME AND COMMUNITY-BASED SERVICES FOR PERSONS WHO ARE ELDERLY OR HAVE ALZHEIMER'S DISEASE.

This bill proposes to allocate an unidentified sum to the Department for the purpose of expanding the provision of home and community-based services (HCBS) for persons who are elderly or have Alzheimer's disease. DSS commends the committee for its focus on this population and its efforts to increase access to services and their quality of care.

Currently, the Department's Connecticut Home Care Program for Elders (CHCPE) provides HCBS to individuals who are 65 years of age or older, are at risk of institutionalization or meet nursing home level of care and meet financial eligibility criteria, including those who have Alzheimer's disease. For an individual to meet nursing home level of care, the individual must require assistance with critical needs such as bathing dressing, eating, toileting and taking their medication. CHCPE services include adult day health, bill payer, care management, care transitions, homemaker, agency-based personal care assistant, adult family living, chore services, chronic disease self-management program, companion, environmental accessibility adaptations, home-delivered meals, respite, assisted living, assistive technology, mental health counseling, personal emergency response system, recovery assistant and transportation. CHCPE will also

cover home health services when not covered by Medicare, including skilled nursing, home health aide, occupational, physical and speech therapy.

Additionally, the Department's American Rescue Plan Act home and community-based services (ARPA HCBS) plan has dedicated funds to implement a new service for the benefit of people with dementia and their caregivers. The new service provides training for providers in an evidence-based model of dementia care. This model improves the care of people with dementia by supporting the informal caregiver. Training focuses on understanding the disease progression, managing behaviors, and supporting member goals in the community.

The Department respectfully suggests that current programs already serve individuals with Alzheimer's disease and that significant additional funding is already being invested in these programs through the ARPA HCBS reinvestment plan.