



DATE: February 25, 2020
TO: Human Services Committee
FROM: Ben Shaiken, Manager of Advocacy & Public Policy, The Alliance
RE: H.B. 5233 An Act Concerning Payments to Providers of Social Services

Good evening Senator Moore, Representative Abercrombie, Senator Logan, Representative Case and members of the Human Services Committee.

My name is Ben Shaiken, Manager of Advocacy & Public Policy at the CT Community Nonprofit Alliance (The Alliance). The Alliance is the statewide association of community nonprofits. Community nonprofits provide essential services in every city and town in Connecticut, serving half a million people in need and employing 117,000 people across the State. They are an important part of what makes Connecticut a great place to live and work and an important piece of our economy.

Thank you for the opportunity to provide testimony in **support of H.B. 5233** An Act Concerning Payments to Providers of Social Services. This bill would:

1. fully implement the Innovation Incentive Program and,
2. allow Peer Support Specialists to bill Medicaid.

Section 1 – Innovation Incentive Program

The Innovation Incentive Program **allows community nonprofits to retain any savings at the end of a contract term and reinvest those savings into the provision of services.**

If expanded and put into practice, the Innovation Incentive Program **would promote efficiency.** The current State contracting process encourages “spending to the line,” or spending all allocated funds, rather than encouraging efforts to realize efficiencies or economies of practice. An efficient or innovative nonprofit that succeeds in meeting every contractual expectation experiences no net benefit compared to a less efficient agency that spends all allocated funds.

Nonprofits provide data to demonstrate the effectiveness of programs and report on our outcomes. Yet purchase of service contracts have built-in disincentives for efficiency, as savings generated by a nonprofit must be returned to the State rather than reinvested in community programs and services.

The Innovation Incentive Program **is a creative way to support nonprofits in light of the State’s fiscal challenges.** For years, nonprofits have struggled to maintain service levels amid budget cuts and rescissions. If nonprofits were able to retain savings while still meeting contractual obligations, they could work towards being properly capitalized and more able to adjust to turbulence in the State budget. Nonprofits would be able to invest savings to recruit and retain qualified staff, invest in capital improvements and expand services and programs.

H.B. 5233 opens the program to allow all community providers to participate. In 2017, the legislature established a pilot for Innovation Incentive Program through Public Act 17-122, but the implementation of that pilot was optional, and unfortunately it was never put into practice. Then, last year, the legislature passed Public Act 19-127, which mandated that the pilot be implemented, but unfortunately, that was never realized either.

The Human Services Committee and legislature have worked hard for several years to establish this program. Due to its lack of implementation, we support the proposal in H.B. 5233 to make this program mandatory and applicable to all community providers.

Section 2 – Peer Support Specialists

Section 2 of H.B. 5233 would **allow Peer Support Specialists to bill Medicaid** for their services. Peer Support services are recovery-focused services provided by specialists who have experience recovering from mental health or substance abuse conditions. They are a crucial part of behavioral health treatment, and a growing body of **evidence and experience in Connecticut show their services to be effective** at treating mental health conditions and helping people recover from addiction.

Connecticut does not allow peer support services to be billed through Medicaid, even though many other states do.

Please support adding this program to Connecticut’s Medicaid system. Doing so would dramatically broaden the availability of Peer Support services to people in need of behavioral health services.

Please note: The Alliance supports the language as it is drafted and urges the committee not to add restrictions for these services to be offered only “within available appropriations.” Expanding access to care means appropriating adequate funds necessary to pay for the cost of services needed by Connecticut’s residents. Directing a new service to act “within available appropriations” means funds would likely need to move from an existing service. In a Medicaid program where providers already lose money across almost every behavioral health billing code, this would be unacceptable.

We urge the Committee to support H.B. 5233. Thank you for your consideration of this important issue.