



September 23, 2021

Gian-Carl Casa  
CEO, CT Nonprofit Alliance  
75 Charter Oak Avenue, Suite 1 - 100  
Hartford, Connecticut 06106

Dear Gian-Carl,

We appreciate the ongoing dedication of our nonprofit community throughout the pandemic and the critical services they provide to so many vulnerable residents across Connecticut. The Administration remains committed to equitably and expeditiously implementing numerous policy changes and social service investments enacted during the legislative session, including the cost-of-living adjustments (COLAs) intended to strengthen and stabilize the nonprofit workforce. To help appropriately set expectations for your members and other nonprofits, we are providing a progress update on the distribution of those funds and a timeline for informing private providers of their rate increases and payment schedules. We are also providing information on testing supports available to nonprofits and other employers as the state continues to manage efforts to keep our vulnerable populations as safe as possible during the ongoing public health emergency.

#### Private Provider COLA

PA 21-2, June Special Session, (the budget implementer) allocated \$38.15 million through various funding sources for private provider COLAs. This funding will support employee wage increases at private provider agencies that contract with any of nine different state agencies. Because the legislation did not set a specific COLA percentage increase, each state agency is required to analyze their accounts to determine the basis for the wage increase.

The funding mechanisms to support the COLAs this year also added administrative complexities. For example, the COLA for DMHAS private providers was allocated through the American Rescue Plan Act's (ARPA) Coronavirus State Fiscal Recovery Fund. This means that any distribution must adhere to Federal Treasury guidance and accompanying Frequently Asked Questions released throughout the summer. That review process, led by OPM, for each of the 109 ARPA allocations concluded in August. Additionally, the transition to a new Medicaid substance use disorder (SUD) treatment demonstration waiver means that treatment services provided by residential providers will now be reimbursable under Medicaid. To ensure that residential SUD treatment providers are not excluded from a COLA, the decision was made to provide an approximate 4% rate increase on the Medicaid services, which will require the state to amend the SUD waiver application and seek CMS approval. A Medicaid state plan amendment (SPA), subject to CMS approval, will also be required to distribute the COLA for rate-based providers of SUD and mental health services funded through Medicaid.

Within the coming few weeks, state agencies will complete their analyses to determine the amount of their accounts eligible for the COLA. Once that process is complete across all agencies, OPM will apply an approximate 4% COLA across all eligible agencies and providers. Private providers that serve participants in the

following agency programs should expect to hear how much they will receive and an estimated timeline for distribution by mid-October:

- Department of Correction
- Department of Housing
- Department of Public Health
- Department of Social Services\*
- Department of Children and Families
- Department of Aging and Disability Services
- Department of Mental Health and Addiction Services
- Office of Early Childhood
- Judicial Department

*\* SUD and mental health service providers funded through Medicaid will receive information on their COLA increase upon CMS approval of the relevant Medicaid authority; that process may take several weeks or more and may not be finalized until November or December of 2021.*

### COVID-19 Testing

With the ongoing impact of COVID-19—primarily due to the Delta variant—it is imperative that employees of health and human service providers that come in close contact with some of our most vulnerable residents get fully vaccinated or tested regularly.

Employers have several resources at their disposal to ensure public health measures and COVID-19 protocols are strictly followed. First, employers can help promote vaccine confidence and make it easier for employees to find and access COVID-19 immunization. This includes flexible work schedules to help employees make vaccine appointments, sick time for employees with adverse reactions, and a range of other vaccine incentives.

Second, health insurers may continue to cover the cost of testing under certain circumstances. At this point, the state is also acting as the backstop to cover testing costs at more than twenty state supported testing sites when insurance coverage is not available. Information about these testing options is available at:

[https://www.211ct.org/search?page=1&location=Connecticut&taxonomy\\_code=11048&service\\_area=connecticut&tp=8504](https://www.211ct.org/search?page=1&location=Connecticut&taxonomy_code=11048&service_area=connecticut&tp=8504)

Again, we appreciate the ongoing commitment of our nonprofit community to serve vulnerable individuals and further mitigate the spread of COVID-19. We also understand the urgency and desire among private providers and their employees to receive the expected COLA increase. Please be assured though, that, with the exception of the increases for Medicaid behavioral health providers, the COLAs will be retroactive to July 1<sup>st</sup>. The Medicaid rate increases for the behavioral health providers will be prospectively implemented as soon as possible but there will be delays given federal requirements related to SPA and waiver approval processes.

Thank you for your continued patience as we approach the final stages of implementation on an equitable distribution formula.

Sincerely,

Handwritten signature of Melissa McCann in blue ink.

Secretary  
Office of Policy and Management

Handwritten signature of Paul Mounds Jr. in blue ink.

Paul Mounds Jr  
Chief of Staff to Governor Ned Lamont

Cc: Deputy Secretary Diamantis, Office of Policy and Management  
Claudio Gualtieri, Undersecretary, Office of Policy and Management