



GILEAD

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Appropriations Committee

February 26, 2024

Public Hearing on H.B. 5048 An Act Adjusting the State Budget for the Biennium Ending June 30, 2025

Good evening, Senator Osten, Representative Walker, Senator Berthel, Representative Nuccio and members of the Appropriations Committee. My name is Daniel Osborne and I am the CEO of Gilead Community Services in Middletown, an Oak Hill affiliate. Gilead has provided a full continuum of high-quality Mental Health & Addiction services in Middlesex and Hartford Counties that the community has depended on for over 50 years.

Thank you for the opportunity to testify on H.B. 5048, the Governor's Budget. I am here to request that you increase funding for community nonprofits by 5%, after providing \$50 million to health and human services providers that did not receive the DDS-specific bonus funds in the FY24 budget. This is a total increase of \$186 million. Specifically, I am here today to advocate on behalf of Gilead's dedicated and trained staff members and the thousands of people who are impacted by the services that we provide. Meeting our funding request is essential to sustain our services and to honor long-term plans to increase funding for community nonprofits.

Our staff and the people we serve deeply appreciate the increases the legislature has been able to provide over the last few years, but they have not been enough to meet the needs of the people we serve. We continue to be hit by crippling increases in our costs that far outpace the rate of increases the legislature has provided. Since 2007, factoring in the increases, we are still 32% behind.

I wish that I could say that I have a fresh new message to share with all of you tonight. A message that is different from the last 10 years that I have been giving testimony on the budget. Sadly, my message is the same. I have changed the words and the delivery, but it saddens me how similar this message is to previous testimonies.

My message is that our state contracts have destabilized us and have dug a hole for us that will take us years to climb out of. With your help, I want to remain hopeful, but our reality is daunting. That reality is that regardless of any other challenge that nonprofits face (and nonprofits do face other challenges) the underfunding from our state partners remains the single greatest threat to nonprofit agencies across the state of Connecticut.

We saw a nonprofit from Middletown with over a 100-year history close their doors a few years ago. My organization has closed programming, reduced services and has chosen not to increase service to match the need of the community because the funding prevents the services from being viable. Without sustained increases as we move forward, we are vulnerable to fall further behind despite the increases that we have received over the last few years. In fact, with recent inflation and multiple workforce challenges, in many ways, we are already back to where we started. So, I am here to implore you to continue what you have started so that the investments over the last few years are not put to waste. You have the power to change the dysfunctional funding approach that got us here and partner with Connecticut's nonprofits that are a beacon of hope for so many people in our community.

Directly connected to our funding challenges, nonprofits have been losing clinical staff to telehealth companies, school districts, hospitals, state service and private practice for years all because what the state pays us for services doesn't allow us to pay those staff competitively.

Well trained and compassionate staff are leaving agencies like Gilead because of the inadequate funding that leads to below market wages. The only reason that we survived this kind of turnover and the resulting vacancy rate was because of the superhuman dedication and compassion of our case managers, managers, directors and temporary staff who all stepped in to do whatever it took to continue to provide the highest quality of care to the people we serve through this staffing shortage. Gilead employes the most dedicated, amazing and selfless people that I have ever met and I am so grateful for them. How much are we to ask of them? How many birthdays and holidays with their families is ok for them to miss to help support the greater good. And, how can we continue

this approach when we know that there is a sustainable solution at our fingertips that the CT Nonprofit Alliance has so clearly articulated on paper.

In addition, over the past few years, our turnover ratio and the shortage of licensed clinicians in Connecticut has created strain and risk for our agency in many of the programs that have the highest demand. For example, our residential addiction treatment program currently has nine openings and eight out of the nine are positions that require a licensed clinical professional (licensed clinician, APRN, etc.). At the same time, this program is currently experiencing an extremely high demand and we are all aware of the impact that addiction continues to have on our loved ones, our families, our friends and our communities. I would ask you to consider, what is our obligation as a state to ensure that these people have access to the services that they need when they need them. Right now, we have agencies all across the state that are eager to meet the demand, but we are failing these individuals in need because of inadequate funding through our state contracts and inadequate reimbursement for billable services.

As you have likely heard others testify tonight, last week, a study of some of the state's Medicaid rates was released by the executive branch. We have been making the case for years that the state is underfunding services. The study provides devastating proof that Connecticut's Medicaid program is spending less than half of what comparable states are spending for behavioral health services. The study clearly illustrates what we experience in our programs: We operate at big deficits and can't afford the market rate for clinical staff. Each clinician we can't hire means people that don't get served. Over the past several years, Gilead opened the "Mental Health Resource Center" in Middletown to connect people to the mental health care that they need and deserve. This single step of increasing Medicaid rates to a level that allows providers to sustain and expand their outpatient clinical services would have a profound impact on people who need services and our communities. This report is too clear to ignore, and I believe that it would be negligent to wait a year to deal with what we have already confirmed and what we, as providers have known for years.

I would like to end my testimony this year the same way that I ended it the last three years. I have come before you in the past and, honestly, I was not sure if our state could do the things that we were asking to be done. However, I advocated for them anyway because I knew how much they were needed to sustain our services and I was hopeful that we would eventually get there. This, year, like the last two years, is once again different. The steps that the CT Nonprofit Alliance has outlined are achievable and we all know that they are. But, it requires that all of you believe that the services that non-profits provide to our communities is of great value and needs to be preserved for future generations and that you act on this belief.

Thank you for the opportunity to provide my perspective on the budget. Please support increasing funding for community nonprofits by 5%, after providing \$50 million to health and human services providers that did not receive the DDS-specific bonus funds in the FY24 budget for a total increase of \$186 million.

Respectfully,

Daniel Osborne
Chief Executive Officer
Gilead Community Services