



General Assembly

Substitute Bill No. 6612

January Session, 2023



AN ACT CONCERNING NONPROFIT HEALTH AND HUMAN SERVICES PROVIDERS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2023*) (a) As used in this section
2 and sections 2 and 4 of this act, (1) "private provider organization" has
3 the same meaning as provided in section 4-70b of the general statutes,
4 (2) "health and human services" means services provided under
5 contract with a state agency that directly support the health, safety and
6 welfare of residents who may have conditions that include, but are not
7 limited to, intellectual, developmental, physical or mental disabilities
8 or autism spectrum disorder, (3) "state agency" has the same meaning
9 as provided in section 1-79 of the general statutes, and (4) "attempt to
10 recover or otherwise offset" means (A) efforts to recoup excess funds at
11 the end of each contract term or fiscal year, (B) reductions in contracted
12 amounts for the same or similar services from one contract period to
13 the next contract period, or (C) demands for other reimbursement of
14 state funds from such organization.

15 (b) Subject to the provisions of subsection (c) of this section, each
16 state agency that contracts with a nonprofit private provider
17 organization for health and human services shall allow such nonprofit
18 organization that otherwise meets contractual requirements to retain
19 any excess funds from the contracted cost for services at the end of a

20 contract term. No state agency shall attempt to recover or otherwise
21 offset funds retained by such nonprofit organization from the
22 contracted cost for services, provided such nonprofit organization
23 meets its contractual obligations with such state agency.

24 (c) Notwithstanding the provisions of subsection (b) of this section,
25 a state agency shall not allow a nonprofit private provider
26 organization that contracts with the state to provide health and human
27 services to retain excess funds from the contracted cost for services
28 under a contract funded in whole, or in part, with federal funds when
29 allowing such organization to retain such funds will jeopardize federal
30 funding or reimbursement for such contract.

31 Sec. 2. (NEW) (*Effective July 1, 2023*) The Commissioner of
32 Developmental Services, in consultation with the Secretary of the
33 Office of Policy and Management, may extend the provisions of
34 section 1 of this act to other providers with which the Department of
35 Developmental Services contracts, provided they meet their
36 contractual obligations with the commissioner.

37 Sec. 3. Section 4-216 of the general statutes is repealed and the
38 following is substituted in lieu thereof (*Effective July 1, 2023*):

39 (a) No state agency may execute a personal service agreement
40 having a cost of more than fifty thousand dollars or a term of more
41 than one year, without the approval of the secretary. A state agency
42 may apply for an approval by submitting the following information to
43 the secretary: (1) A description of the services to be purchased and the
44 need for such services; (2) an estimate of the cost of the services and
45 the term of the agreement; (3) whether the services are to be on-going;
46 (4) whether the state agency has contracted out for such services
47 during the preceding two years and, if so, the name of the contractor,
48 term of the agreement with such contractor and the amount paid to the
49 contractor; (5) whether any other state agency has the resources to
50 provide the services; (6) whether the agency intends to purchase the
51 services by competitive negotiation and, if not, why; and (7) whether it

52 is possible to purchase the services on a cooperative basis with other
53 state agencies. The secretary shall approve or disapprove an
54 application within fifteen business days after receiving it and any
55 necessary supporting information, provided if the secretary does not
56 act within such fifteen-day period the application shall be deemed to
57 have been approved. The secretary shall immediately notify the
58 Auditors of Public Accounts of any application which the secretary
59 receives for approval of a personal services agreement for audit
60 services and give said auditors an opportunity to review the
61 application during such fifteen-day period and advise the secretary as
62 to whether such audit services are necessary and, if so, could be
63 provided by said auditors.

64 (b) Each personal service agreement having a cost of more than fifty
65 thousand dollars or a term of more than one year shall be based on
66 competitive negotiation or competitive quotations, unless the state
67 agency purchasing the personal services applies to the secretary for a
68 waiver from such requirement and the secretary grants the waiver in
69 accordance with the guidelines adopted under section 4-215.

70 [(c) The secretary shall establish an incentive program for nonprofit
71 providers of human services that shall (1) allow providers who
72 otherwise meet contractual requirements to retain any savings realized
73 by the providers from the contracted cost for services, and (2) provide
74 that future contracted amounts from the state for the same types of
75 services are not reduced solely to reflect savings achieved in previous
76 contracts by such providers. For purposes of this subsection,
77 "nonprofit providers of human services" includes, but is not limited to,
78 nonprofit providers of services to persons with intellectual, physical or
79 mental disabilities or autism spectrum disorder. Any nonprofit
80 provider of human services allowed to retain savings under the
81 incentive program shall submit a report to the secretary on how excess
82 funds were reinvested to strengthen quality, invest in deferred
83 maintenance and make asset improvements.]

84 Sec. 4. (NEW) (*Effective July 1, 2023*) A state agency that contracts

85 with a nonprofit private provider organization to provide health and
86 human services shall (1) ensure payment for such services not later
87 than thirty days after delivery of such services, and (2) identify and
88 eliminate any administrative burdens placed on such provider
89 organization by any state agency practice or procedure unless such
90 practice or procedure is (A) necessary to prevent fraud or misuse of
91 funds, or (B) prescribed under federal law or regulation for the use of
92 federal funds.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2023</i>	New section
Sec. 2	<i>July 1, 2023</i>	New section
Sec. 3	<i>July 1, 2023</i>	4-216
Sec. 4	<i>July 1, 2023</i>	New section

HS

Joint Favorable Subst. C/R

APP