



Senate Bill No. 1221

December Special Session, Public Act No. 19-1

AN ACT CONCERNING IMPLEMENTATION OF THE APPROVED SETTLEMENT AGREEMENT IN THE CONNECTICUT HOSPITAL ASSOCIATION ET AL. V. CONNECTICUT DEPARTMENT OF SOCIAL SERVICES ET AL. AND MAKING APPROPRIATIONS THEREFOR.

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

Section 1. Section 12-263q of the general statutes, as amended by section 356 of public act 19-117, is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) (1) For each calendar quarter commencing on or after July 1, 2017, each hospital shall pay a tax on the total net revenue received by such hospital for the provision of inpatient hospital services and outpatient hospital services.

(A) On and after July 1, 2017, through June 30, 2026, the rate of tax for the provision of inpatient hospital services shall be six per cent of each hospital's audited net revenue for [the] fiscal year 2016 [, as set forth in subparagraph (C) of this subdivision,] attributable to inpatient hospital services. Such rate shall apply for fiscal years commencing on or after July 1, 2026, unless modified through any provision of the general statutes.

Senate Bill No. 1221

(B) (i) On and after July 1, 2017, and prior to July 1, 2019, the rate of tax for the provision of outpatient hospital services shall be nine hundred million dollars less the total tax imposed on all hospitals for the provision of inpatient hospital services, which sum shall be divided by the total audited net revenue for [the] fiscal year 2016 [, as set forth in subparagraph (C) of this subdivision,] attributable to outpatient hospital services, of all hospitals that are required to pay such tax, resulting in an effective rate of twelve and three thousand three hundred twenty-five ten thousandths (12.3325) per cent of each hospital's audited net revenue for fiscal year 2016 attributable to outpatient hospital services.

(ii) On and after July 1, 2019, and prior to July 1, 2020, the rate of tax for the provision of outpatient hospital services shall be eight hundred ninety million dollars less the total tax imposed on all hospitals for the provision of inpatient hospital services, which sum shall be divided by the total audited net revenue for fiscal year 2016 attributable to outpatient hospital services, of all hospitals that are required to pay such tax, resulting in an effective rate of twelve and nine hundred forty-two ten thousandths (12.0942) per cent of each hospital's audited net revenue for fiscal year 2016 attributable to outpatient hospital services, subject to any hospital dissolutions or cessation of operations pursuant to subparagraph (D) of this subdivision or disallowed exemptions pursuant to subsections (b) and (c) of this section.

(iii) On and after July 1, 2020, and prior to July 1, 2021, the rate of tax for the provision of outpatient hospital services shall be eight hundred eighty-two million dollars less the total tax imposed on all hospitals for the provision of inpatient hospital services, which sum shall be divided by the total audited net revenue for fiscal year 2016 attributable to outpatient hospital services, of all hospitals that are required to pay such tax, resulting in an effective rate of eleven and seven thousand five hundred three ten thousandths (11.7503) per cent of each hospital's

Senate Bill No. 1221

audited net revenue for fiscal year 2016 attributable to outpatient hospital services, subject to any hospital dissolutions or cessation of operations pursuant to subparagraph (D) of this subdivision or disallowed exemptions pursuant to subsections (b) and (c) of this section.

(iv) On and after July 1, 2021, and prior to July 1, 2025, the rate of tax for the provision of outpatient hospital services shall be eight hundred fifty million dollars less the total tax imposed on all hospitals for the provision of inpatient hospital services, which sum shall be divided by the total audited net revenue for fiscal year 2016 attributable to outpatient hospital services, of all hospitals that are required to pay such tax, resulting in an effective rate of eleven and nine hundred seventy-six ten thousandths (11.0976) per cent of each hospital's audited net revenue for fiscal year 2016 attributable to outpatient hospital services, subject to any hospital dissolutions or cessation of operations pursuant to subparagraph (D) of this subdivision or disallowed exemptions pursuant to subsections (b) and (c) of this section.

(v) On and after July 1, 2025, the rate of tax for the provision of outpatient hospital services shall be eight hundred twenty million dollars less the total tax imposed on all hospitals for the provision of inpatient hospital services, which sum shall be divided by the total audited net revenue for fiscal year 2016 attributable to outpatient hospital services, of all hospitals that are required to pay such tax, resulting in an effective rate of ten and four thousand eight hundred fifty-eight ten thousandths (10.4858) per cent of each hospital's audited net revenue for fiscal year 2016 attributable to outpatient hospital services, subject to any hospital dissolutions or cessation of operations pursuant to subparagraph (D) of this subdivision or disallowed exemptions pursuant to subsections (b) and (c) of this section. The rate set forth in this clause shall apply for fiscal years commencing on or after July 1, 2026, unless modified through any provision of the general

Senate Bill No. 1221

statutes.

[(C) For the state fiscal years commencing July 1, 2017, and July 1, 2018, the fiscal year upon which the tax shall be imposed under subparagraphs (A) and (B) of this subdivision shall be fiscal year 2016. For the biennium commencing July 1, 2019, and for each biennium thereafter, the fiscal year upon which the tax shall be imposed under subparagraphs (A) and (B) of this subdivision for each year of the biennium shall be the fiscal year occurring three years prior to the first state fiscal year of each biennium.]

(C) (i) For each state fiscal year commencing on or after July 1, 2019, the total audited net revenue for fiscal year 2016 attributable to inpatient hospital services, of all hospitals that are required to pay the tax under this section shall be five billion ninety-seven million eight hundred twenty thousand one hundred ninety-seven dollars, subject to any hospital dissolutions or cessation of operations pursuant to subparagraph (D) of this subdivision or disallowed exemptions pursuant to subsections (b) and (c) of this section.

(ii) (I) For the state fiscal year commencing on or after July 1, 2019, and prior to July 1, 2020, the total audited net revenue for fiscal year 2016 attributable to outpatient hospital services, of all hospitals that are required to pay the tax under this section shall be four billion eight hundred twenty-nine million eight hundred fifty-nine thousand three hundred ninety-nine dollars, subject to any hospital dissolutions or cessation of operations pursuant to subparagraph (D) of this subdivision or disallowed exemptions pursuant to subsections (b) and (c) of this section.

(II) For each state fiscal year commencing on or after July 1, 2020, the total audited net revenue for fiscal year 2016 attributable to outpatient hospital services, of all hospitals that are required to pay the tax under this section shall be four billion nine hundred three million one hundred

Senate Bill No. 1221

twenty-seven thousand one hundred thirty-three dollars, subject to any hospital dissolutions or cessation of operations pursuant to subparagraph (D) of this subdivision or disallowed exemptions pursuant to subsections (b) and (c) of this section.

(D) (i) If a hospital or hospitals subject to the tax imposed under this subdivision merge, consolidate, are acquired or otherwise reorganize, the surviving hospital shall assume and be liable for the total tax imposed under this subdivision on the [merging, consolidating or reorganizing] merged, consolidated, acquired or reorganized hospitals, including any outstanding liabilities from periods prior to such merger, consolidation, acquisition or reorganization.

(ii) If a hospital ceases to operate as a hospital for any reason other than a merger, consolidation, acquisition or reorganization, or ceases for any reason to be subject to the tax imposed under this subdivision, the amount of tax due from each taxpayer under this subdivision shall not be recalculated to take into account such occurrence [but the total amount of such tax to be collected under subparagraphs (A) and (B) of this subdivision shall be reduced by the amount of the tax liability imposed on the hospital that is no longer subject to the tax] for the state fiscal year in which the hospital dissolves or ceases to operate. The amount of tax that would be due from the dissolved hospital after its dissolution or cessation of operations shall not be collected by the commissioner for the state fiscal year in which such hospital dissolves or ceases to operate. In the next succeeding state fiscal year after the hospital dissolves or ceases to operate and in each subsequent state fiscal year, the total audited net revenue for fiscal year 2016 shall be reduced by such hospital's audited net revenue for fiscal year 2016 and the effective rate of the tax due under this section shall be adjusted to ensure that the total amount of such tax to be collected under subparagraphs (A) and (B) of this subdivision is redistributed among the surviving hospitals in proportion to the reduced total audited net

Senate Bill No. 1221

revenue for fiscal year 2016 attributable to inpatient hospital services and outpatient hospital services, of all hospitals.

(E) (i) [If] For each state fiscal year commencing on or after July 1, 2026, if the Commissioner of Social Services determines for any fiscal year that the effective rate of tax for the tax imposed on net revenue for the provision of inpatient hospital services exceeds the rate permitted under the provisions of 42 CFR 433.68(f), as amended from time to time, the amount of tax collected that exceeds the permissible amount shall be refunded to hospitals, in proportion to the amount of net revenue for the provision of inpatient hospital services upon which the hospitals were taxed. The effective rate of tax shall be calculated by comparing the amount of tax paid by hospitals on net revenue for the provision of inpatient hospital services in a state fiscal year with the amount of net revenue received by hospitals subject to the tax for the provision of inpatient hospital services for the equivalent fiscal year.

(ii) On or before July 1, [2020] 2026, and annually thereafter, each hospital subject to the tax imposed under this subdivision shall report to the Commissioner of Social Services, in the manner prescribed by and on forms provided by said commissioner, the amount of tax paid pursuant to this subsection by such hospital and the amount of net revenue received by such hospital for the provision of inpatient hospital services, in the state fiscal year commencing two years prior to each such reporting date. Not later than ninety days after said commissioner receives completed reports from all hospitals required to submit such reports, said commissioner shall notify the Commissioner of Revenue Services of the amount of any refund due each hospital to be in compliance with 42 CFR 433.68(f), as amended from time to time. Not later than thirty days after receiving such notice, the Commissioner of Revenue Services shall notify the Comptroller of the amount of each such refund and the Comptroller shall draw an order on the Treasurer for payment of each such refund. No interest shall be added to any

Senate Bill No. 1221

refund issued pursuant to this subparagraph.

(2) Except as provided in subdivision (3) of this subsection, each hospital subject to the tax imposed under subdivision (1) of this subsection shall be required to pay the total amount due in four quarterly payments consistent with section 12-263s, with the first quarter commencing with the first day of each state fiscal year and the last quarter ending on the last day of each state fiscal year. Hospitals shall make all payments required under this subsection in accordance with procedures established by and on forms provided by the commissioner.

(3) (A) For the state fiscal year commencing July 1, 2017, each hospital required to pay tax on inpatient hospital services or outpatient hospital services shall make an estimated tax payment on December 15, 2017, which estimated payment shall be equal to one hundred thirty-three per cent of the tax due under chapter 211a for the period ending June 30, 2017. If a hospital was not required to pay tax under chapter 211a on either inpatient hospital services or outpatient hospital services, such hospital shall make its estimated payment based on its unaudited net patient revenue.

(B) Each hospital required to pay tax pursuant to this subdivision on inpatient hospital services or outpatient hospital services shall pay the remaining balance determined to be due in two equal payments, which shall be due on April 30, 2018, and July 31, 2018, respectively.

(C) (i) For each state fiscal year commencing on or after July 1, 2017, [and prior to July 1, 2019,] each hospital required to pay tax on inpatient hospital services or outpatient hospital services shall calculate the amount of tax due on forms prescribed by the commissioner by multiplying the applicable rate set forth in subdivision (1) of this subsection by its audited net revenue for fiscal year 2016.

Senate Bill No. 1221

(ii) [For each state fiscal year commencing on or after July 1, 2019, each hospital required to pay tax on inpatient hospital services or outpatient hospital services shall calculate the amount of tax due on forms prescribed by the commissioner by multiplying the applicable rate set forth in subdivision (1) of this subsection by its audited net revenue for the fiscal year, as set forth in subparagraph (C) of subdivision (1) of this subsection] For the state fiscal year commencing July 1, 2019, the payment made for the period ending September 30, 2019, by each hospital required to pay tax on inpatient hospital services or outpatient hospital services shall be considered an estimated payment for purposes of the tax due for said state fiscal year. Each hospital required to pay the tax under this section on inpatient hospital services or outpatient hospital services shall pay the remaining balance due in three equal payments, which shall be due on January 31, 2020, April 30, 2020, and July 31, 2020, respectively.

(D) The commissioner shall apply any payment made by a hospital in connection with the tax under chapter 211a for the period ending September 30, 2017, as a partial payment of such hospital's estimated tax payment due on December 15, 2017, under subparagraph (A) of this subdivision. The commissioner shall return to a hospital any credit claimed by such hospital in connection with the tax imposed under chapter 211a for the period ending September 30, 2017, for assignment as provided under section 12-263s.

(4) (A) [(i) For each state fiscal year commencing on or after July 1, 2017, and prior to July 1, 2019, each] Each hospital required to pay tax on inpatient hospital services or outpatient hospital services shall submit to the commissioner such information as the commissioner requires in order to calculate the audited net inpatient revenue for fiscal year 2016, the audited net outpatient revenue for fiscal year 2016 and the audited net revenue for fiscal year 2016 of all such health care providers. Such information shall be provided to the commissioner not

Senate Bill No. 1221

later than January 1, 2018. The commissioner shall make additional requests for information as necessary to fully audit each hospital's net revenue. Upon completion of the commissioner's examination, the commissioner shall notify, prior to February 28, 2018, each hospital of its audited net inpatient revenue for fiscal year 2016, audited net outpatient revenue for fiscal year 2016 and audited net revenue for fiscal year 2016.

[(ii) For each state fiscal year commencing on or after July 1, 2019, each hospital required to pay tax on inpatient hospital services or outpatient hospital services shall submit to the commissioner biennially such information as the commissioner requires in order to calculate for the applicable fiscal year, as set forth in subparagraph (C) of subdivision (1) of this subsection, the audited net inpatient revenue, the audited net outpatient revenue and the audited net revenue of all such health care providers. For the state fiscal year commencing July 1, 2019, such information shall be provided to the commissioner not later than June 30, 2019. For the biennium commencing July 1, 2021, and each biennium thereafter, such information shall be provided to the commissioner not later than January fifteenth of the second year of the biennium immediately preceding. The commissioner shall make additional requests for information as necessary to fully audit each hospital's net revenue. Upon completion of the commissioner's examination, the commissioner shall notify each hospital of its audited net inpatient revenue, audited net outpatient revenue and audited net revenue for the applicable fiscal year, as set forth in subparagraph (C) of subdivision (1) of this subsection.]

(B) Any hospital that fails to provide the requested information by the dates specified in subparagraph (A) of this subdivision or fails to comply with a request for additional information made under this subdivision shall be subject to a penalty of one thousand dollars per day for each day the hospital fails to provide the requested information or

Senate Bill No. 1221

additional information.

(C) The commissioner may engage an independent auditor to assist in the performance of the commissioner's duties and responsibilities under this subdivision.

(5) Net revenue derived from providing a health care item or service to a patient shall be taxed only one time under this section.

(6) (A) For purposes of this section:

(i) ["Audited net inpatient revenue for the fiscal year"] "Audited net inpatient revenue for fiscal year 2016" means the amount of revenue that the commissioner determines, in accordance with federal law, that a hospital received for the provision of inpatient hospital services during the [applicable] 2016 federal fiscal year;

(ii) ["Audited net outpatient revenue for the fiscal year"] "Audited net outpatient revenue for fiscal year 2016" means the amount of revenue that the commissioner determines, in accordance with federal law, that a hospital received for the provision of outpatient hospital services during the [applicable] 2016 federal fiscal year; and

(iii) ["Audited net revenue for the fiscal year"] "Audited net revenue for fiscal year 2016" means net revenue, as reported in each hospital's audited financial [statement] statements, less the amount of revenue that the commissioner determines, in accordance with federal law, that a hospital received from other than the provision of inpatient hospital services and outpatient hospital services. The total audited net revenue for [the] fiscal year 2016 shall be the sum of all audited net revenue for the [applicable] 2016 fiscal year for all hospitals required to pay tax on inpatient hospital services and outpatient hospital services.

(B) For purposes of this section, if a hospital's audited financial statements for fiscal year 2016 does not report revenue for the entire

Senate Bill No. 1221

fiscal year, such hospital's audited net revenue for fiscal year 2016 shall be calculated by projecting the amount of revenue such hospital would have received for the entire fiscal year based proportionally on the audited net revenue reported on its audited financial statements.

[(B)] (C) Audited net inpatient revenue and audited net outpatient revenue shall be based on information provided by each hospital required to pay tax on inpatient hospital services or outpatient hospital services.

(b) (1) The Commissioner of Social Services shall seek approval from the Centers for Medicare and Medicaid Services to exempt from the net revenue tax imposed under subsection (a) of this section the following: (A) Specialty hospitals; (B) children's general hospitals; and (C) hospitals operated exclusively by the state other than a short-term [acute] general hospital operated by the state as a receiver pursuant to chapter 920. Any hospital for which the Centers for Medicare and Medicaid Services grants an exemption shall be exempt from the net revenue tax imposed under subsection (a) of this section. Any hospital for which the Centers for Medicare and Medicaid Services denies an exemption shall be deemed to be a hospital for purposes of this section and shall be required to pay the net revenue tax imposed under subsection (a) of this section on inpatient hospital services and outpatient hospital services at the same effective rates set forth in subsection (a) of this section.

(2) Each hospital shall provide to the Commissioner of Social Services, upon request, such information as said commissioner may require to make any computations necessary to seek approval for exemption under this subsection.

(3) As used in this subsection, (A) "specialty hospital" means a health care facility, as defined in section 19a-630, other than a facility licensed by the Department of Public Health as a short-term general hospital or

Senate Bill No. 1221

a short-term children's hospital. "Specialty hospital" includes, but is not limited to, a psychiatric hospital or a chronic disease hospital, and (B) "children's general hospital" means a health care facility, as defined in section 19a-630, that is licensed by the Department of Public Health as a short-term children's hospital. "Children's general hospital" does not include a specialty hospital.

(c) [Prior to July 1, 2019, and every three years thereafter] (1) (A) For each state fiscal year commencing on or after July 1, 2017, and prior to July 1, 2020, the Commissioner of Social Services shall seek approval from the Centers for Medicare and Medicaid Services to exempt financially distressed hospitals from the net revenue tax imposed on outpatient hospital services. Any such hospital for which the Centers for Medicare and Medicaid Services grants an exemption shall be exempt from the net revenue tax imposed on outpatient hospital services under subsection (a) of this section. Any hospital for which the Centers for Medicare and Medicaid Services denies an exemption shall be required to pay the net revenue tax imposed on outpatient hospital services under subsection (a) of this section.

(B) For purposes of this [subsection] subdivision, "financially distressed hospital" means a hospital that has experienced over [a] the five-year period from October 1, 2011, through September 30, 2016, an average net loss of more than five per cent of aggregate revenue. A hospital has an average net loss of more than five per cent of aggregate revenue if such a loss is reflected in the [five most recent] applicable years of financial reporting that have been made available by the Health Systems Planning Unit of the Office of Health Strategy for such hospital in accordance with section 19a-670. [as of the effective date of the request for approval which effective date shall be July first of the year in which the request is made] Upon said commissioner's receipt of a determination by the Centers for Medicare and Medicaid Services that a hospital is not exempt, the total audited net revenue from the

Senate Bill No. 1221

provision of outpatient hospital services for fiscal year 2016 shall be increased by such hospital's audited net revenue from the provision of outpatient hospital services for fiscal year 2016 and the effective rate of the tax due under this section shall be adjusted to ensure that the total amount of such tax to be collected under subsection (a) of this section is redistributed, commencing with the calendar quarter next succeeding the date of the determination by the Centers for Medicare and Medicaid Services.

(2) (A) For each state fiscal year commencing on or after July 1, 2020, the Commissioner of Social Services shall seek approval from the Centers for Medicare and Medicaid Services to exempt sole community hospitals from the net revenue tax imposed on outpatient hospital services. Any such hospital for which the Centers for Medicare and Medicaid Services grants an exemption shall be exempt from the net revenue tax imposed on outpatient hospital services under subsection (a) of this section. Any hospital for which the Centers for Medicare and Medicaid Services denies an exemption shall be required to pay the net revenue tax imposed on outpatient hospital services under subsection (a) of this section.

(B) For purposes of this subdivision, "sole community hospital" means a hospital that is classified by the Centers for Medicare and Medicaid Services for purposes of Medicare as a sole community hospital under 42 CFR 412.92. Upon said commissioner's receipt of a determination by the Centers for Medicare and Medicaid Services that a hospital is not exempt, the total audited net revenue from the provision of outpatient hospital services for fiscal year 2016 shall be increased by such hospital's audited net revenue from the provision of outpatient hospital services for fiscal year 2016 and the effective rate of the tax due under this section shall be adjusted to ensure that the total amount of such tax to be collected under subsection (a) of this section is redistributed, commencing with the calendar quarter next succeeding

Senate Bill No. 1221

the date of the determination by the Centers for Medicare and Medicaid Services.

(3) Upon receipt of a determination by the Centers for Medicare and Medicaid Services under this subsection that a hospital is not exempt, said commissioner shall notify all hospitals subject to the tax under this section of such determination, the corresponding increase to the total audited net revenue for fiscal year 2016 and the change in any effective rate of the tax to be collected under subsection (a) of this section through the state fiscal year 2026. Such notice shall be provided prior to the end of the calendar quarter next succeeding the date of the determination by the Centers for Medicare and Medicaid Services. If a state fiscal year has commenced when such determination is made, the adjusted audited net revenue for fiscal year 2016 and the change in any effective rate of the tax to be collected under subsection (a) of this section shall be prorated to take into account the amount of the tax already paid during the applicable state fiscal year.

(d) The commissioner shall issue guidance regarding the administration of the tax on inpatient hospital services and outpatient hospital services. Such guidance shall be issued upon completion of a study of the applicable federal law governing the administration of tax on inpatient hospital services and outpatient hospital services. The commissioner shall conduct such study in collaboration with the Commissioner of Social Services, the Secretary of the Office of Policy and Management, the Connecticut Hospital Association and the hospitals subject to the tax imposed on inpatient hospital services and outpatient hospital services.

(e) (1) The commissioner shall determine, in consultation with the Commissioner of Social Services, the Secretary of the Office of Policy and Management, the Connecticut Hospital Association and the hospitals subject to the tax imposed on inpatient hospital services and outpatient hospital services, if there is any underreporting of revenue

Senate Bill No. 1221

on hospitals' audited financial statements. Such consultation shall only be as authorized under section 12-15. The commissioner shall issue guidance, if necessary, to address any such underreporting.

(2) If the commissioner determines, in accordance with this subsection, that a hospital underreported net revenue on its audited financial [statement] statements, the amount of underreported net revenue shall be added to the amount of net revenue reported on such hospital's audited financial [statement] statements so as to comply with federal law and the revised net revenue amount shall be used for purposes of calculating the amount of tax owed by such hospital under this section. For purposes of this subsection, "underreported net revenue" means any revenue of a hospital subject to the tax imposed under this section that is required to be included in net revenue from the provision of inpatient hospital services and net revenue from the provision of outpatient hospital services to comply with 42 CFR 433.56, as amended from time to time, 42 CFR 433.68, as amended from time to time, and Section 1903(w) of the Social Security Act, as amended from time to time, but that was not reported on such hospital's audited financial [statement] statements. Underreported net revenue shall only include revenue of the hospital subject to such tax.

(f) Nothing in this section shall affect the commissioner's obligations under section 12-15 regarding disclosure and inspection of returns and return information.

(g) The provisions of section 17b-8 shall not apply to any exemption or exemptions sought by the Commissioner of Social Services from the Centers for Medicare and Medicaid Services under this section.

Sec. 2. (NEW) (*Effective from passage*) (a) Notwithstanding any other provision of law, for any tax period commencing on or after the effective date of this section and prior to July 1, 2026, a nongovernmental licensed short-term general hospital shall not be subject to any tax or fee that is a

Senate Bill No. 1221

health care related tax, as defined in Section 1903(w) of the Social Security Act, on such hospital's net revenue from inpatient hospital services and outpatient hospital services, except for the following: (1) The tax set forth in section 12-263q of the general statutes, as amended by this act; and (2) any other applicable tax or fee that is a health care related tax, as defined in Section 1903(w) of the Social Security Act, in effect as of the effective date of this section.

(b) Notwithstanding any other provision of law, the tax set forth in section 12-263q of the general statutes, as amended by this act, shall not be amended for any tax period commencing prior to July 1, 2026.

(c) Notwithstanding any other provision of law, any tax exemption that is available to a nongovernmental licensed short-term general hospital and is in effect as of the effective date of this section, including, but not limited to, exemptions under chapters 203, 208, 219 and 221 of the general statutes, shall not be amended, repealed, modified or in any way restricted for any such hospital for any tax period commencing prior to July 1, 2026.

(d) Nothing in this section shall preclude:

(1) The amendment or modification of any tax or fee that is applicable to nongovernmental licensed short-term general hospitals, is in effect as of the effective date of this section and is not a health care related tax, as defined in Section 1903(w) of the Social Security Act, provided not more than fifteen per cent of such amended or modified total tax or fee imposed is due from such hospitals;

(2) The imposition of any tax or fee that is applicable to nongovernmental licensed short-term general hospitals, is not in effect as of the effective date of this section and is not a health care related tax, as defined in Section 1903(w) of the Social Security Act, provided not more than fifteen per cent of such new total tax or fee imposed is due

Senate Bill No. 1221

from such hospitals;

(3) The enactment of legislation that modifies the tax set forth in section 12-263q of the general statutes, as amended by this act, for the purpose of imposing such tax on a hospital that is not subject to such tax as of the effective date of this section; or

(4) The amendment or modification of the provisions of section 12-263i or 12-263r of the general statutes.

Sec. 3. (NEW) (*Effective from passage*) (a) As used in this section, (1) "settlement agreement" means the settlement agreement in the matter of The Connecticut Hospital Association et al. v. Connecticut Department of Social Services et al., No. HHB-CV16-6035321-S, approved by the General Assembly pursuant to section 3-125a of the general statutes on December 18, 2019, and (2) "superior court" means the superior court for the judicial district of New Britain including the matter of The Connecticut Hospital Association et al. v. Connecticut Department of Social Services et al., No. HHB-CV16-6035321-S.

(b) The superior court shall have jurisdiction over the settlement agreement, including the jurisdiction and authority to adjudicate a motion filed by the parties to said agreement requesting an order of approval of said agreement.

(c) Following entry of an order of approval of the settlement agreement, the superior court shall have continuing jurisdiction over said agreement, including the jurisdiction and authority to adjudicate a motion filed by a party to said agreement requesting an order for enforcement or modification of the settlement agreement in accordance with the provisions of said agreement. The superior court shall be authorized to issue orders in response to such motion, in accordance with the provisions of the settlement agreement, for (1) interim or temporary relief pending a final decision, (2) declaratory, monetary and

Senate Bill No. 1221

permanent equitable relief as needed to enforce the terms of said agreement, and (3) modification of the settlement agreement in the manner and within the limits provided in said agreement. Any final order of the superior court issued pursuant to this section may be appealed in accordance with law. Sovereign immunity shall not be a defense to or bar any action, motion, order or relief authorized under this section.

Sec. 4. (NEW) (*Effective from passage*) For the state fiscal years ending June 30, 2020, through June 30, 2026, the tax imposed under section 12-263q of the general statutes, as amended by this act, on the provision of inpatient hospital services and outpatient hospital services shall cease to be imposed if the Centers for Medicare and Medicaid Services (1) determines that such tax is an impermissible tax under Section 1903(w) of the Social Security Act, as amended from time to time, or (2) does not approve the applicable Medicaid state plan amendments necessary for the state to receive federal financial participation under the Medicaid program for the payments set forth in subsection (i) of section 17b-239 of the general statutes, as amended by this act, and subsection (c) of section 17b-239e of the general statutes, as amended by this act. In the event of such a determination or disapproval, the General Assembly shall consider, during the next occurring regular or special session, whichever is sooner, such amendments to the general statutes as are necessary to comply with federal law regarding such tax.

Sec. 5. Subsections (i) to (l), inclusive, of section 17b-239 of the general statutes, as amended by section 306 of public act 19-117, are repealed and the following is substituted in lieu thereof (*Effective from passage*):

(i) [Not later than fifteen days after passage of this section or December 1, 2017, whichever is sooner, the commissioner shall publish public notice of the intent to submit a Medicaid state plan amendment to provide for the rate increases set forth in this subsection. Not later than five days after the expiration of the thirty-day public comment

Senate Bill No. 1221

period for such Medicaid state plan amendment, the commissioner shall submit such Medicaid state plan amendment to the Centers for Medicare and Medicaid Services for approval.] (1) Subject to federal approval, the commissioner shall increase rates effective January 1, 2018, for hospitals, implementing those increases on the earliest available date, as follows: [(1)] (A) The diagnosis-related group base rate for inpatient hospital services provided by [privately operated acute care] nongovernmental licensed short-term general hospitals shall be increased by thirty-one and sixty-five-hundredths per cent from the level in effect on July 1, 2017, and [(2)] (B) the ambulatory payment classification base conversion factor for outpatient hospital services provided by [acute care] licensed short-term general hospitals shall be increased by six and one-half per cent from the level in effect on July 1, 2017. [For dates of service only from January 1, 2018, through June 30, 2018, commencing January 1, 2018, the Commissioner of Social Services shall pay at the increased rates set forth in this subsection even if each applicable Medicaid state plan amendment approval has not been received from the Centers for Medicare and Medicaid Services prior to January 1, 2018, provided the implementation of such rate increases remains subject to federal approval and payment of such increases may later be recovered if federal approval is not obtained. For dates of service on or after July 1, 2018, the rate increases set forth in this subsection shall be implemented not later than thirty days after receiving federal approval of applicable Medicaid state plan amendments. Subject to continuing approvals from the Centers for Medicare and Medicaid Services and ongoing compliance with applicable federal Medicaid requirements, for the fiscal year commencing July 1, 2018, and annually thereafter, the commissioner shall not remove the rate increases set forth in this subsection.]

(2) (A) For the purposes of this subsection and subsection (k) of this section, "settlement agreement" has the same meaning as provided in section 3 of this act.

Senate Bill No. 1221

(B) To the extent required by the settlement agreement, including any court order issued in accordance with the provisions of section 3 of this act, for dates of service from January 1, 2020, through June 30, 2026, applicable payments to nongovernmental licensed short-term general hospitals located in the state shall be made in accordance with the relevant requirements of said agreement regarding wage index values, the inpatient hospital all-patient refined diagnosis-related group base rate and the outpatient hospital ambulatory payment classification conversion factor.

(3) (A) To the extent required by the settlement agreement, including any court order issued in accordance with the provisions of section 3 of this act, effective January 1, 2020, and each January first thereafter until and including January 1, 2026, the commissioner shall increase annually the Medicaid rates payable to nongovernmental licensed short-term general hospitals located in the state as follows: (i) The inpatient hospital all-patient refined diagnosis-related group base rate by two per cent; (ii) the inpatient hospital behavioral health per diem rate, the inpatient psychiatric services and rehabilitation per diem rates and the inpatient behavioral health child discharge delay per diem rate, each by two per cent; (iii) the outpatient hospital ambulatory payment classification conversion factor by two and two-tenths per cent; and (iv) the revenue center codes listed on the hospital outpatient flat fee schedule by two and two-tenths per cent. Each such annual increase shall be calculated against the rates in effect for the calendar year immediately preceding such rate increase.

(B) As soon as practicable after the effective date of this section, the commissioner shall publish public notice of the intent to submit the Medicaid state plan amendments necessary to provide for the rate increases set forth in subparagraph (A) of this subdivision. Not later than fifteen days after the expiration of the thirty-day comment period for such state plan amendments, the commissioner shall submit such

Senate Bill No. 1221

state plan amendments to the Centers for Medicare and Medicaid Services for approval. The commissioner shall diligently pursue the federal approvals required for such rate increases. The commissioner shall implement such rate increases for the dates of service set forth in subparagraph (A) of this subdivision even if federal approvals are received after such dates of service, provided the implementation of such rate increases remains subject to federal approval to the extent required by the terms of the settlement agreement, including any court order issued in accordance with the provisions of section 3 of this act. If federal approvals of such rate increases are not obtained, the payment of such rate increases may later be recovered by the commissioner by recoupment against other Medicaid payments due to a hospital or in any manner authorized by law.

(4) To the extent required by the settlement agreement, including any court order issued in accordance with the provisions of section 3 of this act, from July 1, 2019, through June 30, 2026, the commissioner shall not remove, repeal or reduce the rate increases set forth in this subsection and appropriations for any payments to nongovernmental licensed short-term general hospitals based on such rates shall not be subject to rescissions or holdbacks.

(5) Nothing in this section shall affect the authority of the state to recover overpayments and collect unpaid liabilities, as authorized by law. No provision of this subsection shall affect implementation of state-wide diagnosis-related group base rates in accordance with subsection (a) of this section.

(j) Except as otherwise specifically required in subsection (i) of this section, (1) notwithstanding the provisions of this chapter or regulations adopted thereunder, the Department of Social Services is not required to increase rates paid, or to set any rates to be paid to or adjust upward any method of payment to, any hospital based on inflation or based on any inflationary factor, including, but not limited to, any current

Senate Bill No. 1221

payments or adjustments that are being made based on dates of service in previous years, [The] and (2) the Department of Social Services shall not increase or adjust upward any rates or method of payment to hospitals based on inflation or based on any inflationary factor unless the approved state budget includes appropriations for such increases or upward adjustments.

[(k) (1) Effective on or after July 1, 2019, the Commissioner of Social Services shall implement one or more value-based payment methodologies in accordance with this subsection in order to improve health outcomes and reduce unnecessary costs, as determined by the commissioner. The commissioner may, to the extent determined necessary by the commissioner, phase in such value-based payment methodologies over time. Such methodologies may include, but need not be limited to, methodologies that are designed to: (A) Reduce inpatient hospital readmissions; (B) reduce unnecessary caesarian section deliveries, take appropriate actions to reduce preterm deliveries and improve obstetrical care outcomes; (C) address outpatient infusions involving high-cost medications by implementing performance-based payments; and (D) implement such other policies as determined by the commissioner.

(2) Effective on or after July 1, 2019, the Commissioner of Social Services shall reduce the total applicable rate payments by fifteen per cent for each hospital readmission, in addition to any value-based payment methodology implemented pursuant to subdivision (1) of this subsection. For purposes of this subdivision, "readmission" means, in the case of an individual who is discharged from an applicable hospital, a subsequent admission of the same individual for observation services provided to the individual for the same or a similar diagnosis or diagnoses not later than thirty days from the date of such discharge. Nothing in this subdivision shall preclude the commissioner from establishing additional value-based payment methodologies regarding

Senate Bill No. 1221

readmissions.

(3) Notwithstanding any other provision of the general statutes, each applicable hospital rate and supplemental payment methodology designed by the commissioner shall incorporate each value-based payment methodology established pursuant to this section, including structuring applicable payment based on each hospital's performance on the applicable measures for each value-based payment methodology.

(l) Medicaid payments to hospitals shall be made only in compliance with federal law. If any Medicaid payments to hospitals are not eligible for federal financial participation, the Department of Social Services shall adjust payments to hospitals to the extent necessary to ensure that no Medicaid payments are made to hospitals that are not eligible for federal financial participation for all applicable payments and for all applicable time periods. No provision of this section or section 17b-239e, as amended by this act, shall require the Department of Social Services to make any Medicaid payments to hospitals that are not eligible for federal financial participation.]

(k) (1) Subject to any court order issued in accordance with the provisions of section 3 of this act, the Department of Social Services shall make payments to nongovernmental licensed short-term general hospitals to the extent required by the settlement agreement, including, to the extent applicable, portions of payments for which the federal financial participation may not be available, such as one-time payments and payments using state-only funds above the upper payment limit. For the purposes of this subsection, "upper payment limit" means the limit on aggregate Medicaid payments to specified groups of facilities for which Medicaid federal financial participation is available, in accordance with 42 CFR 447.72 and 42 CFR 447.321, as applicable, each as amended from time to time.

(2) To the extent required by the settlement agreement, including any

Senate Bill No. 1221

court order issued in accordance with the provisions of section 3 of this act, from July 1, 2019, through June 30, 2026, for nongovernmental licensed short-term general hospitals located in the state, the Department of Social Services shall continue to set Medicaid rates for inpatient hospital services and outpatient hospital services in accordance with the rate-setting rules and methodologies established in the Medicaid state plan in effect as of the effective date of this section and incorporating changes to said plan as required by the settlement agreement.

Sec. 6. Section 17b-239e of the general statutes, as amended by section 307 of public act 19-117, is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) [On or before January 1, 2012, the Commissioner of Social Services, in consultation with the Commissioners of Public Health and Mental Health and Addiction Services and the Secretary of the Office of Policy and Management, shall submit to the joint standing committees of the General Assembly having cognizance of matters relating to human services and appropriations and the budgets of state agencies a plan concerning the implementation of a cost neutral acuity-based method for establishing rates to be paid to hospitals that is phased in over a period of time.] For the purposes of this section, "settlement agreement" has the same meaning as provided in section 3 of this act.

(b) [(1)] Subject to federal approval, the Department of Social Services shall establish supplemental pools for certain hospitals [, as determined by the department in consultation with the Connecticut Hospital Association, including, but not limited to, such pools as a supplemental inpatient pool, a supplemental outpatient pool, a supplemental small hospital pool, and a supplemental mid-size hospital pool] in accordance with the terms of the settlement agreement, including any court order issued in accordance with the provisions of section 3 of this act. Such pools shall include, but not be limited to, as applicable, general, small

Senate Bill No. 1221

hospital, mid-sized hospital and large hospital supplemental pools.

[(2)] (c) (1) The department shall distribute supplemental payments to applicable hospitals [based on criteria determined by the department in consultation with the Connecticut Hospital Association, including, but not limited to, utilization and proportion of total Medicaid expenditures. Such consultation shall include, at a minimum, that the department shall send proposed distribution criteria in writing to the Connecticut Hospital Association not less than thirty days before making any payments based on such criteria and shall provide an opportunity to discuss such criteria prior to making any payments based on such criteria] in accordance with the settlement agreement, including any court order issued in accordance with the provisions of section 3 of this act. The commissioner shall diligently pursue the federal approvals required for the supplemental pools and payments set forth in this section.

(2) To the extent required by the settlement agreement, including any court order issued in accordance with the provisions of section 3 of this act, the Department of Social Services shall pay Medicaid supplemental payments to nongovernmental licensed short-term general hospitals located in the state as follows: (A) For the fiscal years ending June 30, 2020, and June 30, 2021, five hundred forty-eight million three hundred thousand dollars in each such fiscal year; and (B) for the fiscal years ending June 30, 2022, through June 30, 2026, five hundred sixty-eight million three hundred thousand dollars in each such fiscal year. For fiscal years commencing on and after July 1, 2026, the total amount of supplemental payments paid to such hospitals shall continue at the level in effect for the prior fiscal year unless modified through any provision of the general statutes or appropriations act.

(3) From July 1, 2019, through June 30, 2026, the Department of Social Services shall make supplemental payments to the applicable hospitals on or before the last day of the first month of each calendar quarter,

Senate Bill No. 1221

except that payments scheduled to be made before the effective date of this section shall be made not later than thirty days after the effective date of this section.

(4) If a nongovernmental licensed short-term general hospital located in the state merges or consolidates with or is acquired by another hospital, such that the hospital does not continue to maintain a separate short-term general hospital license, the supplemental payments that would have been paid to the hospital that no longer maintains such license shall be paid instead to the surviving hospital, beginning with the first calendar quarter that commences on or after the effective date of the merger, consolidation or acquisition. If a nongovernmental licensed short-term general hospital located in the state dissolves, ceases to operate or otherwise terminates licensed short-term general hospital services, the supplemental payments that would have been paid to such hospital shall not be paid to any other hospital for the remainder of the fiscal year in which such hospital dissolves, ceases operations or otherwise terminates such services. Commencing with the fiscal year after the hospital dissolved, ceased to operate or otherwise terminated such services, the supplemental payments that would have been made to such hospital shall be redistributed to all other nongovernmental licensed short-term general hospitals located in the state in accordance with the distribution methodology set forth in the settlement agreement for each supplemental pool.

(5) Both the state and federal share of supplemental payments set forth in this subsection shall be appropriated to the Department of Social Services. Such supplemental payments shall not be subject to rescissions or holdbacks. Nothing in this section shall affect the authority of the state to recover overpayments and collect unpaid liabilities, as authorized by law.

[(c) Out of the aggregate amount of the supplemental pools described in subsection (b) of this section, within available appropriations, the

Senate Bill No. 1221

following amounts shall be allocated based on each hospital's performance on quality measures determined by the Department of Social Services: Fifteen million dollars in the fiscal year ending June 30, 2020, and forty-five million dollars for the fiscal year ending June 30, 2021. Such allocations shall be made proportionally from each of the supplemental pools established pursuant to subsection (b) of this section.]

(d) To the extent required by the settlement agreement, including any court order issued in accordance with the provisions of section 3 of this act, the commissioner shall make the supplemental payments set forth in this section effective for the dates of service set forth in this section, including payment adjustments to reconcile, in accordance with this section, supplemental payments made to hospitals for the calendar quarter ending September 30, 2019, as interim payments. Such reconciliation shall ensure that, after accounting for such payment adjustments, the actual supplemental payments made to each hospital shall be the amounts due to each hospital pursuant to the settlement agreement, even if federal approvals are received after each applicable date that supplemental payments are required to be made, provided the supplemental payments remain subject to federal approval. If federal approval of such payments is not obtained, such payments may later be recovered by the commissioner by recoupment against other Medicaid payments due to a hospital or in any manner authorized by law.

Sec. 7. (*Effective from passage*) The amounts appropriated for the fiscal years ending June 30, 2020, and June 30, 2021, in section 1 of public act 19-117 regarding the GENERAL FUND are amended to read as follows:

	2019-2020	2020-2021
LEGISLATIVE		
LEGISLATIVE MANAGEMENT		
Personal Services	47,000,000	50,000,000

Senate Bill No. 1221

Other Expenses	14,930,000	14,930,000
Equipment	2,172,000	1,172,000
Flag Restoration	65,000	65,000
Minor Capital Improvements		1,800,000
Interim Salary/Caucus Offices	677,642	536,102
Redistricting	475,000	475,000
Old State House	550,000	600,000
Interstate Conference Fund	409,038	425,400
New England Board of Higher Education	183,750	183,750
AGENCY TOTAL	66,462,430	70,187,252
AUDITORS OF PUBLIC ACCOUNTS		
Personal Services	11,446,794	12,196,119
Other Expenses	272,143	272,143
AGENCY TOTAL	11,718,937	12,468,262
COMMISSION ON WOMEN, CHILDREN, SENIORS, EQUITY AND OPPORTUNITY		
Personal Services	600,000	636,000
Other Expenses	60,000	60,000
AGENCY TOTAL	660,000	696,000
GENERAL GOVERNMENT		
GOVERNOR'S OFFICE		
Personal Services	2,043,764	2,154,748
Other Expenses	174,483	174,483
New England Governors' Conference	74,391	74,391
National Governors' Association	106,600	106,600
AGENCY TOTAL	2,399,238	2,510,222
SECRETARY OF THE STATE		
Personal Services	2,681,168	2,826,337

Senate Bill No. 1221

Other Expenses	1,606,594	1,606,594
Commercial Recording Division	4,672,490	4,819,503
AGENCY TOTAL	8,960,252	9,252,434
LIEUTENANT GOVERNOR'S OFFICE		
Personal Services	618,549	648,244
Other Expenses	57,251	57,251
AGENCY TOTAL	675,800	705,495
ELECTIONS ENFORCEMENT COMMISSION		
Elections Enforcement Commission	3,366,080	3,589,636
OFFICE OF STATE ETHICS		
Office of State Ethics	1,515,986	1,610,143
FREEDOM OF INFORMATION COMMISSION		
Freedom of Information Commission	1,618,072	1,707,192
STATE TREASURER		
Personal Services	2,903,527	3,052,378
Other Expenses	284,999	124,999
AGENCY TOTAL	3,188,526	3,177,377
STATE COMPTROLLER		
Personal Services	23,014,883	24,235,594
Other Expenses	5,200,883	5,199,293
AGENCY TOTAL	28,215,766	29,434,887
DEPARTMENT OF REVENUE SERVICES		
Personal Services	55,899,207	58,985,625
Other Expenses	7,782,623	7,332,623
AGENCY TOTAL	63,681,830	66,318,248

Senate Bill No. 1221

OFFICE OF GOVERNMENTAL ACCOUNTABILITY		
Other Expenses	30,662	32,287
Child Fatality Review Panel	101,202	108,354
Contracting Standards Board	167,239	176,909
Judicial Review Council	128,996	132,963
Judicial Selection Commission	86,713	91,816
Office of the Child Advocate	670,062	711,931
Office of the Victim Advocate	406,323	428,651
Board of Firearms Permit Examiners	114,611	121,016
AGENCY TOTAL	1,705,808	1,803,927
OFFICE OF POLICY AND MANAGEMENT		
Personal Services	10,975,537	11,679,172
Other Expenses	1,233,684	1,188,684
Automated Budget System and Data Base Link	26,776	26,776
Justice Assistance Grants	823,001	826,328
Project Longevity	998,750	998,750
Tax Relief For Elderly Renters	25,020,226	25,020,226
Private Providers	3,000,000	6,000,000
MRDA	500,000	500,000
Reimbursement to Towns for Loss of Taxes on State Property	54,944,031	54,944,031
Reimbursements to Towns for Private Tax-Exempt Property	109,889,434	109,889,434
Reimbursement Property Tax - Disability Exemption	364,713	364,713
Distressed Municipalities	1,500,000	1,500,000
Property Tax Relief Elderly Freeze Program	40,000	40,000
Property Tax Relief for Veterans	2,708,107	2,708,107
Municipal Revenue Sharing	36,819,135	36,819,135
Municipal Transition	29,917,078	32,331,732
Municipal Stabilization Grant	37,953,335	38,253,335

Senate Bill No. 1221

Municipal Restructuring	7,300,000	7,300,000
AGENCY TOTAL	324,013,807	330,390,423
DEPARTMENT OF VETERANS' AFFAIRS		
Personal Services	19,375,575	20,415,930
Other Expenses	2,903,207	2,903,207
SSMF Administration	511,396	511,396
Burial Expenses	6,666	6,666
Headstones	307,834	307,834
AGENCY TOTAL	23,104,678	24,145,033
DEPARTMENT OF ADMINISTRATIVE SERVICES		
Personal Services	48,933,645	51,482,515
Other Expenses	30,143,935	31,181,530
Loss Control Risk Management	92,634	92,634
Employees' Review Board	17,611	17,611
Surety Bonds for State Officials and Employees	69,000	73,500
Refunds Of Collections	21,453	21,453
Rents and Moving	10,571,577	10,571,577
W. C. Administrator	5,000,000	5,000,000
State Insurance and Risk Mgmt Operations	12,239,855	12,239,855
IT Services	13,919,176	16,325,576
Firefighters Fund	400,000	400,000
AGENCY TOTAL	121,408,886	127,406,251
ATTORNEY GENERAL		
Personal Services	30,379,331	30,870,633
Other Expenses	1,019,910	1,019,910
AGENCY TOTAL	31,399,241	31,890,543
DIVISION OF CRIMINAL JUSTICE		
Personal Services	44,746,899	46,809,521

Senate Bill No. 1221

Other Expenses	2,394,240	2,394,240
Witness Protection	164,148	164,148
Training And Education	27,398	27,398
Expert Witnesses	135,413	135,413
Medicaid Fraud Control	1,197,897	1,254,282
Criminal Justice Commission	409	409
Cold Case Unit	228,213	228,213
Shooting Taskforce	1,074,222	1,127,052
AGENCY TOTAL	49,968,839	52,140,676
REGULATION AND PROTECTION		
DEPARTMENT OF EMERGENCY SERVICES AND PUBLIC PROTECTION		
Personal Services	142,169,082	145,635,390
Other Expenses	27,882,589	28,349,417
Stress Reduction	25,354	25,354
Fleet Purchase	5,581,737	5,581,737
Workers' Compensation Claims	4,136,817	4,136,817
Criminal Justice Information System	2,684,610	2,684,610
Fire Training School - Willimantic	150,076	150,076
Maintenance of County Base Fire Radio Network	19,528	19,528
Maintenance of State-Wide Fire Radio Network	12,997	12,997
Police Association of Connecticut	172,353	172,353
Connecticut State Firefighter's Association	176,625	176,625
Fire Training School - Torrington	81,367	81,367
Fire Training School - New Haven	48,364	48,364
Fire Training School - Derby	37,139	37,139
Fire Training School - Wolcott	100,162	100,162
Fire Training School - Fairfield	70,395	70,395
Fire Training School - Hartford	169,336	169,336
Fire Training School - Middletown	68,470	68,470

Senate Bill No. 1221

Fire Training School - Stamford	55,432	55,432
AGENCY TOTAL	183,642,433	187,575,569
MILITARY DEPARTMENT		
Personal Services	2,777,206	2,945,438
Other Expenses	2,171,221	2,171,221
Honor Guards	469,000	469,000
Veteran's Service Bonuses	93,333	93,333
AGENCY TOTAL	5,510,760	5,678,992
DEPARTMENT OF CONSUMER PROTECTION		
Personal Services	13,357,897	14,110,498
Other Expenses	1,153,928	1,148,428
AGENCY TOTAL	14,511,825	15,258,926
LABOR DEPARTMENT		
Personal Services	9,094,519	9,610,588
Other Expenses	1,074,985	1,014,985
CETC Workforce	562,744	567,979
Workforce Investment Act	34,614,361	34,614,361
Job Funnels Projects	700,000	700,000
Connecticut's Youth Employment Program	5,000,040	5,000,096
Jobs First Employment Services	12,521,662	12,562,412
Apprenticeship Program	482,706	499,921
Connecticut Career Resource Network	111,327	116,385
STRIVE	76,058	76,058
Opportunities for Long Term Unemployed	3,104,229	3,104,573
Veterans' Opportunity Pilot	233,070	240,823
Second Chance Initiative	311,481	311,594
Cradle To Career	100,000	100,000
New Haven Jobs Funnel	350,000	350,000
Healthcare Apprenticeship Initiative	500,000	500,000

Senate Bill No. 1221

Manufacturing Pipeline Initiative	2,001,332	2,003,251
Workforce Training Authority	500,000	500,000
AGENCY TOTAL	71,338,514	71,873,026
COMMISSION ON HUMAN RIGHTS AND OPPORTUNITIES		
Personal Services	6,106,429	6,426,842
Other Expenses	293,958	289,958
Martin Luther King, Jr. Commission	5,977	5,977
AGENCY TOTAL	6,406,364	6,722,777
CONSERVATION AND DEVELOPMENT		
DEPARTMENT OF AGRICULTURE		
Personal Services	3,802,309	3,985,079
Other Expenses	800,959	800,959
Senior Food Vouchers	351,939	354,104
Dairy Farmer - Agriculture Sustainability	1,000,000	1,000,000
WIC Coupon Program for Fresh Produce	167,938	167,938
AGENCY TOTAL	6,123,145	6,308,080
DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION		
Personal Services	19,915,349	20,881,883
Other Expenses	469,569	449,569
Mosquito Control	230,354	236,055
State Superfund Site Maintenance	399,577	399,577
Laboratory Fees	129,015	129,015
Dam Maintenance	118,956	124,850
Emergency Spill Response	6,511,519	6,763,389
Solid Waste Management	3,656,481	3,751,297
Underground Storage Tank	890,592	921,535
Clean Air	3,974,654	4,117,754

Senate Bill No. 1221

Environmental Conservation	4,856,000	5,010,909
Environmental Quality	8,562,360	8,898,044
Fish Hatcheries	2,115,785	2,161,194
Interstate Environmental Commission	3,333	3,333
New England Interstate Water Pollution Commission	26,554	26,554
Northeast Interstate Forest Fire Compact	3,082	3,082
Connecticut River Valley Flood Control Commission	30,295	30,295
Thames River Valley Flood Control Commission	45,151	45,151
AGENCY TOTAL	51,938,626	53,953,486
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT		
Personal Services	7,374,954	7,773,044
Other Expenses	664,382	664,382
Spanish-American Merchants Association	452,782	454,694
Office of Military Affairs	194,620	202,411
CCAT-CT Manufacturing Supply Chain	100,000	100,000
Capital Region Development Authority	6,249,121	6,249,121
Manufacturing Growth Initiative	150,000	150,000
Hartford 2000	20,000	20,000
AGENCY TOTAL	15,205,859	15,613,652
DEPARTMENT OF HOUSING		
Personal Services	1,877,176	1,953,445
Other Expenses	164,893	164,893
Elderly Rental Registry and Counselors	1,014,722	1,014,722
Homeless Youth	2,292,929	2,292,929

Senate Bill No. 1221

Subsidized Assisted Living Demonstration	2,612,000	2,678,000
Congregate Facilities Operation Costs	7,189,480	7,189,480
Elderly Congregate Rent Subsidy	1,942,424	1,942,424
Housing/Homeless Services	80,388,870	85,779,130
Housing/Homeless Services - Municipality	575,226	575,226
AGENCY TOTAL	98,057,720	103,590,249
AGRICULTURAL EXPERIMENT STATION		
Personal Services	5,755,367	6,012,727
Other Expenses	865,032	865,032
Mosquito and Tick Disease Prevention	512,276	522,880
Wildlife Disease Prevention	95,809	99,149
AGENCY TOTAL	7,228,484	7,499,788
HEALTH		
DEPARTMENT OF PUBLIC HEALTH		
Personal Services	34,869,904	36,847,046
Other Expenses	7,639,067	7,618,240
LGBTQ Health and Human Services Network	250,000	250,000
Community Health Services	1,486,753	1,486,753
Rape Crisis	548,128	548,128
Local and District Departments of Health	4,210,499	4,210,499
School Based Health Clinics	10,550,187	10,550,187
AGENCY TOTAL	59,554,538	61,510,853
OFFICE OF HEALTH STRATEGY		
Personal Services	2,029,556	2,111,198
Other Expenses	1,038,042	38,042

Senate Bill No. 1221

AGENCY TOTAL	3,067,598	2,149,240
OFFICE OF THE CHIEF MEDICAL EXAMINER		
Personal Services	5,527,527	5,838,564
Other Expenses	1,442,198	1,442,198
Equipment	23,310	23,310
Medicolegal Investigations	22,150	22,150
AGENCY TOTAL	7,015,185	7,326,222
DEPARTMENT OF DEVELOPMENTAL SERVICES		
Personal Services	200,282,835	209,745,951
Other Expenses	15,133,419	15,069,356
Housing Supports and Services	350,000	1,400,000
Family Support Grants	3,700,840	3,700,840
Clinical Services	2,340,271	2,337,724
Workers' Compensation Claims	14,598,415	15,404,040
Behavioral Services Program	23,044,686	22,571,979
Supplemental Payments for Medical Services	3,233,467	3,008,132
ID Partnership Initiatives	1,529,000	1,529,000
Emergency Placements	5,630,000	5,630,000
Rent Subsidy Program	4,782,312	4,782,312
Employment Opportunities and Day Services	277,945,780	289,183,217
AGENCY TOTAL	552,571,025	574,362,551
DEPARTMENT OF MENTAL HEALTH AND ADDICTION SERVICES		
Personal Services	197,451,035	213,878,173
Other Expenses	25,171,554	25,171,554
Housing Supports and Services	22,966,163	22,966,163
Managed Service System	55,924,095	56,333,880
Legal Services	706,179	706,179

Senate Bill No. 1221

Connecticut Mental Health Center	7,848,323	7,848,323
Professional Services	12,900,697	12,900,697
General Assistance Managed Care	40,377,409	40,722,054
Workers' Compensation Claims	14,493,430	15,021,165
Nursing Home Screening	652,784	652,784
Young Adult Services	76,675,067	77,970,521
TBI Community Services	8,385,284	8,452,441
Behavioral Health Medications	6,720,754	6,720,754
Medicaid Adult Rehabilitation Option	4,184,260	4,184,260
Discharge and Diversion Services	24,216,478	24,216,478
Home and Community Based Services	20,980,076	22,220,669
Nursing Home Contract	409,594	409,594
Katie Blair House	15,150	15,150
Forensic Services	10,145,246	10,275,522
Grants for Substance Abuse Services	17,913,225	17,913,225
Grants for Mental Health Services	66,316,598	66,316,598
Employment Opportunities	8,791,514	8,791,514
AGENCY TOTAL	623,244,915	643,687,698
PSYCHIATRIC SECURITY REVIEW BOARD		
Personal Services	284,612	299,756
Other Expenses	25,068	25,068
AGENCY TOTAL	309,680	324,824
HUMAN SERVICES		
DEPARTMENT OF SOCIAL SERVICES		
Personal Services	132,339,071	139,336,819
Other Expenses	154,204,427	147,663,485
Genetic Tests in Paternity Actions	81,906	81,906
HUSKY B Program	8,870,000	14,830,000

Senate Bill No. 1221

Medicaid	[2,691,610,660] <u>2,700,788,825</u>	[2,816,874,660] <u>2,826,174,660</u>
Old Age Assistance	42,619,500	43,569,500
Aid To The Blind	529,100	523,900
Aid To The Disabled	59,713,700	59,683,700
Temporary Family Assistance - TANF	59,734,200	58,374,200
Emergency Assistance	1	1
Food Stamp Training Expenses	9,832	9,832
DMHAS-Disproportionate Share	108,935,000	108,935,000
Connecticut Home Care Program	37,040,000	37,830,000
Human Resource Development-Hispanic Programs	1,546,885	1,546,885
Community Residential Services	622,412,127	638,014,602
Safety Net Services	1,334,544	1,334,544
Refunds Of Collections	94,699	94,699
Services for Persons With Disabilities	276,362	276,362
Nutrition Assistance	749,040	749,040
State Administered General Assistance	18,062,600	17,722,600
Connecticut Children's Medical Center	10,125,737	10,125,737
Community Services	1,775,376	1,805,376
Human Services Infrastructure Community Action Program	3,292,432	3,292,432
Teen Pregnancy Prevention	1,255,827	1,255,827
Domestic Violence Shelters	5,289,049	5,289,049
Hospital Supplemental Payments	[453,331,102] <u>548,331,102</u>	[453,331,102] <u>548,331,102</u>
Teen Pregnancy Prevention - Municipality	98,281	98,281
AGENCY TOTAL	[4,415,331,458] <u>4,519,509,623</u>	[4,562,649,539] <u>4,666,949,539</u>
DEPARTMENT OF REHABILITATION SERVICES		
Personal Services	7,024,983	7,408,609

Senate Bill No. 1221

Other Expenses	1,422,517	1,422,517
Educational Aid for Children - Blind or Visually Impaired	4,145,301	4,337,011
Employment Opportunities - Blind & Disabled	1,021,990	1,021,990
Vocational Rehabilitation - Disabled	7,279,075	7,279,075
Supplementary Relief and Services	44,847	44,847
Special Training for the Deaf Blind	265,269	265,269
Connecticut Radio Information Service	70,194	70,194
Independent Living Centers	612,725	612,725
Programs for Senior Citizens	3,278,743	3,278,743
Elderly Nutrition	2,626,390	2,626,390
AGENCY TOTAL	27,792,034	28,367,370
EDUCATION		
DEPARTMENT OF EDUCATION		
Personal Services	16,689,546	17,534,577
Other Expenses	3,485,381	3,035,381
Development of Mastery Exams Grades 4, 6, and 8	10,449,592	10,490,334
Primary Mental Health	345,288	345,288
Leadership, Education, Athletics in Partnership (LEAP)	312,211	312,211
Adult Education Action	194,534	194,534
Connecticut Writing Project	20,250	20,250
Neighborhood Youth Centers	613,866	613,866
Sheff Settlement	10,250,966	10,277,534
Parent Trust Fund Program	267,193	267,193
Regional Vocational-Technical School System	135,153,018	140,398,647
Commissioner's Network	10,009,398	10,009,398
Local Charter Schools	600,000	690,000
Bridges to Success	27,000	27,000
Talent Development	2,164,593	2,183,986

Senate Bill No. 1221

School-Based Diversion Initiative	900,000	900,000
Technical High Schools Other Expenses	22,668,577	22,668,577
EdSight	1,095,806	1,100,273
Sheff Transportation	44,750,421	45,781,798
Curriculum and Standards	2,215,782	2,215,782
American School For The Deaf	8,357,514	8,357,514
Regional Education Services	262,500	262,500
Family Resource Centers	5,802,710	5,802,710
Charter Schools	120,622,500	124,678,750
Child Nutrition State Match	2,354,000	2,354,000
Health Foods Initiative	4,151,463	4,151,463
Vocational Agriculture	14,952,000	15,124,200
Adult Education	20,383,960	20,383,960
Health and Welfare Services Pupils Private Schools	3,438,415	3,438,415
Education Equalization Grants	2,054,281,297	2,092,033,975
Bilingual Education	3,177,112	3,177,112
Priority School Districts	30,818,778	30,818,778
Interdistrict Cooperation	1,537,500	1,537,500
School Breakfast Program	2,158,900	2,158,900
Excess Cost - Student Based	140,619,782	140,619,782
Open Choice Program	26,835,214	27,682,027
Magnet Schools	304,204,848	306,033,302
After School Program	5,720,695	5,750,695
Extended School Hours	2,919,883	2,919,883
School Accountability	3,412,207	3,412,207
AGENCY TOTAL	3,018,224,700	3,069,764,302
OFFICE OF EARLY CHILDHOOD		
Personal Services	8,655,055	9,156,554
Other Expenses	458,987	458,987
Birth to Three	22,845,964	23,452,407
Evenstart	295,456	295,456
2Gen - TANF	412,500	412,500
Nurturing Families Network	10,278,822	10,278,822

Senate Bill No. 1221

Head Start Services	5,083,238	5,083,238
Care4Kids TANF/CCDF	54,627,096	59,527,096
Child Care Quality Enhancements	6,855,033	6,855,033
Early Head Start-Child Care Partnership	1,130,750	100,000
Early Care and Education	127,848,399	130,548,399
Smart Start	3,325,000	3,325,000
AGENCY TOTAL	241,816,300	249,493,492
STATE LIBRARY		
Personal Services	5,098,798	5,364,021
Other Expenses	421,879	421,879
State-Wide Digital Library	1,575,174	1,575,174
Interlibrary Loan Delivery Service	256,795	266,392
Legal/Legislative Library Materials	574,540	574,540
Support Cooperating Library Service Units	124,402	124,402
Connecticard Payments	703,638	703,638
AGENCY TOTAL	8,755,226	9,030,046
OFFICE OF HIGHER EDUCATION		
Personal Services	1,477,763	1,535,334
Other Expenses	166,466	166,466
Minority Advancement Program	1,614,726	1,619,090
National Service Act	239,668	244,912
Minority Teacher Incentive Program	570,134	570,134
Roberta B. Willis Scholarship Fund	33,388,637	33,388,637
AGENCY TOTAL	37,457,394	37,524,573
UNIVERSITY OF CONNECTICUT		
Operating Expenses	198,083,555	208,979,109
Workers' Compensation Claims	2,271,228	2,271,228
AGENCY TOTAL	200,354,783	211,250,337
UNIVERSITY OF CONNECTICUT HEALTH CENTER		

Senate Bill No. 1221

Operating Expenses	109,785,175	116,556,690
AHEC	375,179	375,832
Workers' Compensation Claims	2,670,431	2,917,484
Bioscience	15,400,000	16,000,000
AGENCY TOTAL	128,230,785	135,850,006
TEACHERS' RETIREMENT BOARD		
Personal Services	1,631,971	1,722,838
Other Expenses	431,727	544,727
Retirement Contributions	1,208,783,000	1,248,029,000
Retirees Health Service Cost	26,001,300	29,849,400
Municipal Retiree Health Insurance Costs	5,532,120	5,535,640
AGENCY TOTAL	1,242,380,118	1,285,681,605
CONNECTICUT STATE COLLEGES AND UNIVERSITIES		
Workers' Compensation Claims	3,289,276	3,289,276
Charter Oak State College	3,112,823	3,284,028
Community Tech College System	141,440,942	149,218,817
Connecticut State University	145,330,562	153,315,495
Board of Regents	387,053	408,341
Developmental Services	8,912,702	8,912,702
Outcomes-Based Funding Incentive	1,202,027	1,202,027
Institute for Municipal and Regional Policy	400,000	400,000
AGENCY TOTAL	304,075,385	320,030,686
CORRECTIONS		
DEPARTMENT OF CORRECTION		
Personal Services	393,516,245	412,958,209
Other Expenses	65,729,965	69,596,565
Workers' Compensation Claims	30,008,856	31,115,914
Inmate Medical Services	85,640,077	107,970,535
Board of Pardons and Paroles	6,567,994	6,927,233

Senate Bill No. 1221

STRIDE	73,342	73,342
Aid to Paroled and Discharged Inmates	3,000	3,000
Legal Services To Prisoners	797,000	797,000
Volunteer Services	87,725	87,725
Community Support Services	34,129,544	34,129,544
AGENCY TOTAL	616,553,748	663,659,067
DEPARTMENT OF CHILDREN AND FAMILIES		
Personal Services	269,468,513	279,496,655
Other Expenses	28,964,687	29,160,237
Workers' Compensation Claims	10,470,082	10,158,413
Family Support Services	946,451	946,451
Differential Response System	13,120,002	15,812,975
Regional Behavioral Health Consultation	1,646,024	1,646,024
Health Assessment and Consultation	1,415,723	1,415,723
Grants for Psychiatric Clinics for Children	16,182,464	16,182,464
Day Treatment Centers for Children	7,275,589	7,275,589
Child Abuse and Neglect Intervention	9,874,101	9,874,101
Community Based Prevention Programs	7,527,785	7,527,785
Family Violence Outreach and Counseling	3,745,395	3,745,395
Supportive Housing	19,886,064	19,886,064
No Nexus Special Education	1,904,652	1,952,268
Family Preservation Services	6,593,987	6,593,987
Substance Abuse Treatment	8,629,640	8,629,640
Child Welfare Support Services	2,560,026	2,560,026
Board and Care for Children - Adoption	102,078,733	104,750,134
Board and Care for Children - Foster	136,196,712	135,981,796
Board and Care for Children - Short-term and Residential	89,246,759	88,983,554

Senate Bill No. 1221

Individualized Family Supports	5,885,205	5,885,205
Community Kidcare	44,221,621	44,103,938
Covenant to Care	161,412	161,412
Juvenile Review Boards	1,315,147	1,315,147
Youth Transition and Success Programs	450,000	450,000
Youth Service Bureau Enhancement	1,093,973	1,093,973
Youth Service Bureaus	2,626,772	2,626,772
AGENCY TOTAL	793,487,519	808,215,728
JUDICIAL		
JUDICIAL DEPARTMENT		
Personal Services	339,801,606	353,827,190
Other Expenses	60,439,025	60,339,025
Forensic Sex Evidence Exams	1,348,010	1,348,010
Alternative Incarceration Program	50,257,733	50,257,733
Justice Education Center, Inc.	469,714	469,714
Juvenile Alternative Incarceration	20,063,056	20,063,056
Probate Court	7,200,000	12,500,000
Workers' Compensation Claims	6,042,106	6,042,106
Youthful Offender Services	9,725,677	9,725,677
Victim Security Account	8,792	8,792
Children of Incarcerated Parents	493,728	493,728
Legal Aid	1,397,144	1,397,144
Youth Violence Initiative	1,939,758	1,939,758
Youth Services Prevention	3,311,078	3,311,078
Children's Law Center	92,445	92,445
Juvenile Planning	430,000	430,000
Juvenile Justice Outreach Services	19,961,142	19,455,142
Board and Care for Children - Short-term and Residential	7,798,474	7,732,474
AGENCY TOTAL	530,779,488	549,433,072
PUBLIC DEFENDER SERVICES COMMISSION		

Senate Bill No. 1221

Personal Services	40,153,930	42,299,163
Other Expenses	1,181,163	1,181,163
Assigned Counsel - Criminal	22,442,284	22,442,284
Expert Witnesses	2,875,604	2,875,604
Training And Education	119,748	119,748
AGENCY TOTAL	66,772,729	68,917,962
NON-FUNCTIONAL		
DEBT SERVICE - STATE TREASURER		
Debt Service	1,896,900,160	1,967,208,185
UConn 2000 - Debt Service	212,225,089	221,406,539
CHEFA Day Care Security	5,500,000	5,500,000
Pension Obligation Bonds - TRB	118,400,521	118,400,521
Municipal Restructuring	45,666,625	56,314,629
AGENCY TOTAL	2,278,692,395	2,368,829,874
STATE COMPTROLLER - MISCELLANEOUS		
Nonfunctional - Change to Accruals	11,111,545	22,326,243
STATE COMPTROLLER - FRINGE BENEFITS		
Unemployment Compensation	6,132,100	4,974,400
Higher Education Alternative Retirement System	11,034,700	24,034,700
Pensions and Retirements - Other Statutory	1,974,003	2,029,134
Judges and Compensation Commissioners Retirement	27,010,989	28,522,111
Insurance - Group Life	8,514,800	8,770,200
Employers Social Security Tax	208,540,754	218,208,651
State Employees Health Service Cost	678,375,327	715,320,807
Retired State Employees Health Service Cost	776,021,000	847,309,000

Senate Bill No. 1221

Tuition Reimbursement - Training and Travel	3,475,000	3,508,500
Other Post Employment Benefits	95,764,285	83,648,639
SERS Defined Contribution Match	2,150,171	3,257,268
State Employees Retirement Contributions - Normal Cost	168,330,352	149,045,118
State Employees Retirement Contributions - UAL	1,143,138,185	1,246,717,529
AGENCY TOTAL	3,130,461,666	3,335,346,057
RESERVE FOR SALARY ADJUSTMENTS		
Reserve For Salary Adjustments	18,226,900	23,893,500
WORKERS' COMPENSATION CLAIMS - ADMINISTRATIVE SERVICES		
Workers' Compensation Claims	7,982,375	8,259,800
TOTAL - GENERAL FUND	[19,528,277,395] <u>19,632,455,560</u>	[20,291,393,193] <u>20,395,693,193</u>
LESS:		
Unallocated Lapse	-29,015,570	-26,215,570
Unallocated Lapse - Judicial	-5,000,000	-5,000,000
Statewide Hiring Reduction - Executive	-7,000,000	-7,000,000
Contracting Savings Initiatives	-5,000,000	-15,000,000
Pension and Healthcare Savings	-163,200,000	-256,200,000
NET - GENERAL FUND	[19,319,061,825] <u>19,423,239,990</u>	[19,981,977,623] <u>20,086,277,623</u>

Sec. 8. Section 386 of public act 19-117 is amended to read as follows
(Effective from passage):

Senate Bill No. 1221

The appropriations in section 1 of [this act] public act 19-117, as amended by section 7 of this act, are supported by the GENERAL FUND revenue estimates as follows:

	2019-2020	2020-2021
TAXES		
Personal Income		
Withholding	\$6,910,500,000	\$7,168,500,000
Estimates and Finals	2,762,500,000	2,836,900,000
Sales and Use	4,444,100,000	4,588,400,000
Corporations	1,099,800,000	1,082,500,000
Pass-Through Entities	850,000,000	850,000,000
Public Service	237,700,000	244,700,000
Inheritance and Estate	165,800,000	146,300,000
Insurance Companies	203,300,000	205,800,000
Cigarettes	344,700,000	326,900,000
Real Estate Conveyance	217,400,000	230,600,000
Alcoholic Beverages	68,900,000	69,700,000
Admissions and Dues	41,900,000	41,500,000
Health Provider Tax	[1,050,100,000] <u>1,040,100,000</u>	[1,051,600,000] <u>1,033,600,000</u>
Miscellaneous	48,400,000	48,000,000
TOTAL TAXES	[18,445,100,000] <u>18,435,100,000</u>	[18,891,400,000] <u>18,873,400,000</u>
Refunds of Taxes	[(1,309,300,000)] <u>(1,379,300,000)</u>	(1,378,900,000)
Earned Income Tax Credit	(97,300,000)	(100,600,000)
R & D Credit Exchange	(5,100,000)	(5,200,000)
NET TOTAL TAX REVENUE	[17,033,400,000] <u>16,953,400,000</u>	[17,406,700,000] <u>17,388,700,000</u>
OTHER REVENUE		
Transfers-Special Revenue	368,000,000	376,600,000
Indian Gaming Payments	226,000,000	225,400,000
Licenses, Permits, Fees	341,200,000	384,300,000

Senate Bill No. 1221

Sales of Commodities and Services	30,200,000	31,000,000
Rents, Fines and Escheats	158,500,000	160,900,000
Investment Income	52,600,000	52,900,000
Miscellaneous	178,100,000	181,700,000
Refunds of Payments	(66,400,000)	(67,700,000)
NET TOTAL OTHER REVENUE	1,288,200,000	1,345,100,000
OTHER SOURCES		
Federal Grants	[1,526,000,000] <u>1,588,900,000</u>	[1,508,600,000] <u>1,571,500,000</u>
Transfer From Tobacco Settlement	136,000,000	114,500,000
Transfers To/From Other Funds	[(205,100,000)] <u>(104,500,000)</u>	[74,800,000] <u>134,200,000</u>
NET TOTAL OTHER SOURCES	[1,456,900,000] <u>1,620,400,000</u>	[1,697,900,000] <u>1,820,200,000</u>
Transfer to Budget Reserve Fund - Volatility Cap	(318,300,000)	(301,500,000)
TOTAL GENERAL FUND REVENUE	[19,460,200,000] <u>19,543,700,000</u>	[20,148,200,000] <u>20,252,500,000</u>

Approved: December 19, 2019