
OLR Bill Analysis

sSB 432

AN ACT CONCERNING STATE CONTRACTS WITH NONPROFIT HUMAN SERVICES PROVIDERS.

SUMMARY

This bill generally requires the Office of Policy and Management (OPM) secretary to review and report on certain issues that affect nonprofit human services providers that contract with state agencies. More specifically, it requires him to report on (1) whether the contracts adequately compensate the providers for the level of service expected by their contracting state agency and (2) any burdensome or duplicative reporting requirements the providers must meet for the state.

The bill also requires the secretary to (1) require that state agencies pay the providers within 30 days after they deliver their contracted services and (2) review and update the state's integrated human resources, payroll, and financial system (CORE-CT), in consultation with the state comptroller, for inefficiency issues that affect the providers' accessibility or financial reporting.

Under the bill, a "nonprofit human services provider" is a nonprofit entity that contracts with the state to provide health and human services such as (1) services for people with a physical disability; (2) services for people with intellectual or developmental disabilities, including autism spectrum disorder; and (3) behavioral health services. A "state agency" is any department, board, council, commission, institution, or other executive branch agency.

EFFECTIVE DATE: Upon passage, except that the provision that requires the providers to be paid within 30 days is effective July 1, 2024.

ADEQUATE COMPENSATION FOR PROVIDERS

The bill requires the OPM secretary to annually review the state's purchase of service contracts with nonprofit human services providers

to determine whether their pay rates adequately compensate the providers for the level of service expected by their contracting state agency. The annual review must be done in consultation with representatives of these providers, with the first review completed by January 1, 2025.

Then, starting by February 1, 2025, the secretary must annually submit a report to the Human Services, Government Administration and Elections (GAE), and Appropriations committees. The report must include (1) a summary of the review, (2) any applicable recommendations on requiring contracting state agencies to reduce their contractual expectations if they are not adequately funded by the contract, and (3) any recommended legislation needed to implement the recommendations.

Under the bill a “purchase of service contract” is a contract between a state agency and a private provider organization or municipality (but not an individual) to obtain direct health and human services for agency clients, but generally not for material goods, or administrative, clerical, training, or consulting services.

BURDENSOME AND DUPLICATIVE REPORTING REQUIREMENTS

The bill requires the OPM secretary, starting by January 1, 2025, to triennially review any reports that nonprofit human services providers must file with state agencies. The review must at least look at (1) how many reports must be filed, (2) the amount of overlapping information in them, (3) the time and resources needed to prepare and file them, (4) why the reports are required, and (5) how state agencies use them. State agencies and the providers must give the secretary any information he requests for the review.

The bill requires the secretary to eliminate or consolidate any reporting requirement that he identifies in the review as unduly burdensome or duplicative, unless it is (1) needed to prevent fraud or misuse of funds, (2) required by federal law or regulations to use federal funds, or (3) required by state law (it is unclear whether the secretary has the authority to eliminate or consolidate a different agency’s

reporting requirements).

Starting by February 1, 2025, the secretary must triennially submit a report to the Human Services, GAE, and Appropriations committees. The report must include a summary of the results of the review, any reporting eliminated or consolidated as required by the bill (it appears the bill has an incorrect internal reference), and any recommendations for legislation needed to eliminate burdensome or duplicative reporting requirements under state law.

PAYMENTS TO PROVIDERS

By law, the OPM secretary must set uniform policies and procedures for obtaining, managing, and evaluating the quality and cost effectiveness of direct health and human services purchased from private provider organizations or municipalities. Under the bill, these policies and procedures must include a requirement that each private provider organization be paid within 30 days for services it delivers under a purchase of service contract. As under existing law, the secretary must require all state agencies that purchase direct health and human services to comply with these policies and procedures.

CORE-CT

The bill requires the OPM secretary, in consultation with the comptroller, to review CORE-CT to detect inefficiencies, particularly those that affect accessibility or financial reporting for nonprofit private provider organizations that provide health and human services to state residents under contracts with state agencies. It requires the secretary and comptroller to update any CORE-CT features that the review identifies as outdated (the bill does not specify a frequency or deadline for the review and update to occur).

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable

Yea 19 Nay 0 (03/22/2024)