



General Assembly

Substitute Bill No. 1231

January Session, 2025



AN ACT CONCERNING STATE CONTRACTS WITH NONPROFIT HUMAN SERVICES PROVIDERS.

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

1 Section 1. (NEW) (*Effective from passage*) (a) As used in this section and
2 section 2 of this act, (1) "nonprofit human services provider" means a
3 nonprofit entity that contracts with the state to provide health and
4 human services that may include, but need not be limited to: (A)
5 Services for persons with a physical disability, (B) services for persons
6 with intellectual disability or developmental disabilities, including, but
7 not limited to, autism spectrum disorder, and (C) behavioral health
8 services; and (2) "purchase of service contract" and "state agency" have
9 the same meanings as provided in section 4-70b of the general statutes.

10 (b) Not later than January 1, 2026, and every five years thereafter, the
11 Secretary of the Office of Policy and Management shall, in consultation
12 with representatives of nonprofit human services providers, complete a
13 review of the state's purchase of service contracts with nonprofit human
14 services providers to determine whether the rates such providers are
15 paid to deliver health and human services pursuant to such contracts
16 adequately compensate such providers for providing the level of
17 services expected by the state agency contracting with such provider.
18 For any review conducted after July 1, 2026, the secretary shall examine
19 the contracts and agreements for such services of not less than two state
20 agencies each year.

21 (c) Not later than February 1, 2027, and every five years thereafter,
22 the secretary shall submit a report, in accordance with the provisions of
23 section 11-4a of the general statutes, to the joint standing committees of
24 the General Assembly having cognizance of matters relating to human
25 services, government administration and appropriations and the
26 budgets of state agencies. Such report shall include (1) a summary of the
27 results of the review conducted under subsection (b) of this section, (2)
28 any applicable recommendations concerning requiring contracting state
29 agencies to reduce contractual expectations if those expectations are not
30 adequately funded by the contract or agreement, and (3) any
31 recommended legislation necessary to implement such
32 recommendations.

33 Sec. 2. (NEW) (*Effective from passage*) (a) Not later than January 1, 2026,
34 and triennially thereafter, the Secretary of the Office of Policy and
35 Management shall conduct a review of any reports that nonprofit
36 human services providers are required to file with various state
37 agencies, including requirements for program licensure or certification.
38 Such review shall include, but not be limited to, the number of reports
39 that are required to be filed, the amount of overlapping information in
40 such reports, the time and resources needed for providers to prepare
41 and file the reports, the reasons for requiring such reports and an
42 analysis of how the reports are utilized by the state agency receiving
43 such reports. State agencies and nonprofit human services providers
44 shall provide any information requested by the secretary for purposes
45 of such review.

46 (b) The secretary shall eliminate or consolidate any reporting
47 required by a state agency that the secretary identifies under subsection
48 (a) of this section as unduly burdensome or duplicative, unless such
49 reporting is (1) necessary to prevent fraud or misuse of funds, (2)
50 prescribed under federal law or regulation for the use of federal funds,
51 or (3) required under any provision of state law.

52 (c) Not later than February 1, 2027, and triennially thereafter, the
53 secretary shall submit a report, in accordance with the provisions of

54 section 11-4a of the general statutes, to the joint standing committees of
 55 the General Assembly having cognizance of matters relating to human
 56 services, government administration and appropriations and the
 57 budgets of state agencies. Such report shall include a summary of the
 58 results of the review conducted under subsection (a) of this section, any
 59 reporting eliminated or consolidated under subsection (b) of this section
 60 and any recommendations for any legislation necessary to eliminate
 61 burdensome or duplicative reporting requirements required under state
 62 law.

63 Sec. 3. Subsection (d) of section 4-70b of the general statutes is
 64 repealed and the following is substituted in lieu thereof (*Effective July 1,*
 65 *2025*):

66 (d) The secretary shall establish uniform policies and procedures for
 67 obtaining, managing and evaluating the quality and cost effectiveness
 68 of direct health and human services purchased from a private provider
 69 organization or municipality. To the extent permissible under federal
 70 law, such policies and procedures shall include, but not be limited to, a
 71 requirement that a private provider organization receive payment for
 72 any services provided pursuant to a purchase of service contract not
 73 later than forty-five days after the receipt of a properly completed claim
 74 or the receipt of such services, whichever is later, in accordance with
 75 section 4a-71. The secretary shall require all state agencies which
 76 purchase direct health and human services to comply with such policies
 77 and procedures

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>July 1, 2025</i>	4-70b(d)

Statement of Legislative Commissioners:

In section 1(b), "For the purposes of such review" was replaced with "For any review conducted after January 1, 2026", for clarity.

GAE *Joint Favorable Subst.*