



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)    |

**GAE**      *Joint Favorable Subst.*

***APP***      *Joint Favorable*