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## OLR Bill Analysis

**sSB 1231 (File 130, as amended by Senate "A")\***

### ***AN ACT CONCERNING STATE CONTRACTS WITH NONPROFIT HUMAN SERVICES PROVIDERS.***

#### **SUMMARY**

This bill requires the Office of Policy and Management (OPM) secretary, every three years, to review and report on any burdensome or duplicative reporting requirements that nonprofit human services providers must meet for the state. It further requires him 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.

The bill also generally requires the secretary, to the extent allowed under federal law, to require that state agencies pay the providers within 45 days after they deliver their contracted services or submit a properly completed claim and subjects the agencies to a law requiring interest on late payments.

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.

\*Senate Amendment “A” (1) removes provisions from the underlying bill that would have (a) required the OPM secretary to report every five years on whether state contracts adequately compensate the providers and (b) defined “state agency” under the bill (leaving the term undefined in the amended bill), and (2) delays the start of the OPM triennial review requirement from January 1, 2026, to January 1, 2027, and the subsequent report requirement from February 1, 2027, to

February 1, 2028.

EFFECTIVE DATE: Upon passage, except that the provision on provider payments is effective July 1, 2025.

### **BURDENSOME AND DUPLICATIVE REPORTING REQUIREMENTS**

The bill requires the OPM secretary, starting by January 1, 2027, 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.

Starting by February 1, 2028, the secretary must triennially submit a report to the Human Services, Government Administration and Elections, and Appropriations committees. The report must include a summary of the review's results, any reporting eliminated or consolidated as required by the bill, 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, to the extent allowed under federal law, a requirement that a private provider organization be paid for services it delivers under a purchase of service contract within 45 days after receipt of the services or a properly completed claim, whichever is later. In addition, the payments must comply with the law on prompt payment by state departments and agencies, which generally requires state agencies to pay interest on amounts due when they fail to make timely payments.

As under existing law, the secretary must require all state agencies that purchase direct health and human services to follow these policies and procedures.

**COMMITTEE ACTION**

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 19 Nay 0 (02/28/2025)

Appropriations Committee

Joint Favorable

Yea 38 Nay 12 (05/05/2025)