



House of Representatives

General Assembly

File No. 22

January Session, 2021

Substitute House Bill No. 6319

House of Representatives, March 9, 2021

The Committee on Human Services reported through REP. ABERCROMBIE of the 83rd Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING PAYMENT RECOVERIES AND INCENTIVES UNDER PUBLIC ASSISTANCE PROGRAMS.

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

1 Section 1. Section 4a-16 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2021*):

3 When any person supported or cared for by the state [under] (1) in a
4 program of public assistance, [or] (2) in an institution maintained by the
5 Department of Developmental Services or Department of Mental Health
6 and Addiction Services, [or] (3) when an inmate of the Department of
7 Correction, or [when any] (4) as a child committed to the Commissioner
8 of Social Services or Commissioner of Children and Families dies
9 leaving only personal estate, including personal assets owing and due
10 the estate after death, not exceeding the aggregate value, as described in
11 section 45a-273, the Commissioner of Administrative Services or the
12 commissioner's authorized representative shall, upon [filing with]
13 completing a financial accounting of the estate's assets and debt, make

14 a reasonable effort to inform the next of kin of the decedent in writing
15 that the commissioner or the commissioner's designee intends to
16 become the legal representative of the estate for the purpose of securing
17 partial or full reimbursement of the claim of the state for care or
18 assistance rendered to the decedent. The commissioner, or the
19 commissioner's designee, not later than thirty days after making a
20 reasonable effort to contact the next of kin of the decedent, shall file with
21 the [probate court] Probate Court having jurisdiction of such estate a
22 certificate that the total estate is under the aggregate value, as described
23 in section 45a-273, and the claim of the state, together with the expense
24 of last illness not exceeding three hundred seventy-five dollars and
25 funeral and burial expenses in accordance with section 17b-84 or section
26 17b-131, equals or exceeds the amount of such estate. [, be issued a
27 certificate by said court] The court shall issue a certificate to the
28 commissioner, or the commissioner's designee, stating that the
29 commissioner, or the commissioner's designee, is the legal
30 representative of such estate [only for the following purpose. The
31 commissioner shall have authority to] and may claim such estate, the
32 commissioner's receipt for the same to be a valid discharge of the
33 liability of any person turning over the same, and [to] settle the same by
34 payment of the expense of last illness not exceeding three hundred
35 seventy-five dollars, expense of funeral and burial in accordance with
36 section 17b-84 or 17b-131 and the remainder as partial or full
37 reimbursement of the claim of the state for care or assistance rendered
38 to the decedent. The commissioner, or the commissioner's designee,
39 shall file with said [probate court] Probate Court a statement of the
40 settlement of such estate as herein provided.

41 Sec. 2. Subsection (c) of section 4-216 of the general statutes is
42 repealed and the following is substituted in lieu thereof (*Effective July 1,*
43 *2021*):

44 (c) The secretary shall establish [a pilot] an incentive program for
45 nonprofit providers of human services that shall (1) allow providers
46 who otherwise meet contractual requirements to retain [a percentage of]
47 any savings realized by the providers from the contracted cost for

48 services, and (2) provide that future contracted amounts from the state
 49 for the same types of services are not reduced solely to reflect savings
 50 achieved in previous contracts by such providers. [The pilot incentive
 51 program shall include eight nonprofit providers of human services with
 52 state contracts of the following amounts: (A) Two with contracts of at
 53 least fifty million dollars, (B) two with contracts of at least twenty
 54 million dollars but less than fifty million dollars, (C) two with contracts
 55 of at least five million dollars but less than twenty million dollars, and
 56 (D) two with contracts of less than five million dollars.] For purposes of
 57 this subsection, "nonprofit providers of human services" includes, but is
 58 not limited to, nonprofit providers of services to persons with
 59 intellectual, physical or mental disabilities or autism spectrum disorder.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2021	4a-16
Sec. 2	July 1, 2021	4-216(c)

Statement of Legislative Commissioners:

In Section 1, the two occurrences of "next of kin" were changed to "the next of kin" for clarity and consistency and the two occurrences of "probate court" were changed to "[probate court] Probate Court" for consistency.

HS *Joint Favorable Subst. -LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
Department of Administrative Services	GF - Potential Cost	See Below	See Below
Various State Agencies	GF - Cost	None	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

Section 1 of the bill could result in a cost to the Department of Administrative Services (DAS) associated with establishing timely notification requirements. To the extent DAS is required to complete a financial accounting and notification process beyond what is currently required, the agency will incur additional staff and associated administrative costs.

Section 2 of the bill results in a cost to certain state agencies by expanding the Office of Policy and Management (OPM) pilot incentive program to all nonprofit human services providers.¹

The cost to state contracting agencies is contingent on the magnitude of savings retained by providers, which cannot be determined at this time. It is anticipated that FY 22 program costs will be incurred in FY 23 when the reporting of program payments and expenditures is finalized.

The Out Years

¹ This assumes the bill applies to certain contracts administering state funds.

The annualized ongoing fiscal impact identified above would continue into the future (1) subject to inflation and (2) based on cost savings achieved by providers.

OLR Bill Analysis**sHB 6319*****AN ACT CONCERNING PAYMENT RECOVERIES AND INCENTIVES UNDER PUBLIC ASSISTANCE PROGRAMS.*****SUMMARY**

This bill adds a notification requirement and filing deadline to the process of administering certain small estates to recover state claims when a person supported or cared for by the state dies. In addition, the bill expands and makes permanent a pilot incentive program for nonprofit human services providers. It also makes several technical and conforming changes.

EFFECTIVE DATE: July 1, 2021

§ 1 — SMALL ESTATE ADMINISTRATION

Under current law, when a person supported or cared for by the state dies and leaves an estate worth less than \$40,000, the administrative services commissioner or his authorized representative must certify to the probate court (1) the estate's value and (2) that the state's claim, together with certain final expenses (i.e., last illness and funeral), equals or exceeds the estate's value. By law, the court must then issue a certificate that he or his representative is the legal estate representative to recover the state's claim. The receipt of this certificate is a valid discharge of the liability for the individual's assistance, last illness, and funeral expenses (CGS §§ 4a-14 to -16).

The bill requires the commissioner or his authorized representative, after completing a financial accounting of the estate's assets and debt, to make a reasonable effort to inform the next of kin in writing that he or his designee intends to become the estate's legal representative to recover the state's claim for care or assistance rendered to the decedent. It requires the commissioner or his designee to file with the probate

court no later than 30 days after making the notification attempt. The provisions apply to the estates of individuals who received care or support (1) in a public assistance program, (2) in an institution maintained by the department of Developmental Services or Mental Health and Addiction Services, (3) while an inmate of the Department of Corrections, or (4) as a child committed to the commissioner of Children and Families or Social Services.

§ 2 — NONPROFIT INCENTIVE PROGRAM

The bill requires the Office of Policy and Management (OPM) secretary to expand an incentive program for nonprofit human service providers that realize savings in the state-contracted services they deliver. Current practice requires nonprofits to return any realized savings. Under the bill, the program must (1) allow providers to keep any savings they realize from the contracted service cost as long as they meet their contractual requirements and (2) prohibit future contracted amounts for the same type of service from being reduced solely on savings achieved in previous contracts by such providers.

Current law requires OPM to establish a pilot program to allow eight participating nonprofit human service providers to retain a portion of any savings they realize, but it has not been implemented. The bill removes this eligibility criteria to allow participation by any contracted nonprofit providers of human services, which by law include service providers to persons with intellectual, physical, or mental disabilities or autism spectrum disorder.

COMMITTEE ACTION

Human Services Committee

Joint Favorable
Yea 19 Nay 0 (02/23/2021)