

# OFFICE OF FISCAL ANALYSIS

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sSB-1076

AN ACT CONCERNING PUBLIC-PRIVATE PARTNERSHIPS AND  
PRIVATIZATION OF STATE SERVICES AT THE UNIVERSITY OF  
CONNECTICUT HEALTH CENTER.

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## ***OFA Fiscal Note***

### ***State Impact:***

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
UConn Health Ctr.	Various - See Below	Potential Significant	Potential Significant

Note: Various=Various

***Municipal Impact:*** None

### ***Explanation***

The bill may prevent or delay for up to approximately eight months any savings, costs, or revenue generated to UConn Health Center that would be anticipated to result from an effort to engage in a public-private partnership or a privatization contract. The bill may affect numerous such efforts and if so, will have significant impacts on UConn Health's finances and daily operations, depending on the interpretation of various provisions.

The bill requires: (1) UConn Health to file with the General Assembly any bid solicitation or request for proposals (RFP) regarding a public-private partnership or a privatization contract that involves costs exceeding \$1 million annually, and (2) the General Assembly to vote to approve or reject every qualifying solicitation or RFP.

The fiscal impact of the bill depends in large part on the scope of UConn Health public-private partnerships that would qualify for

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legislative review, which is unclear in the bill language and could potentially be broad, with significant impacts to finances and daily operations. Under a broad interpretation, "public-private partnerships" involving at least \$1 million annually may encompass many current or potential UConn Health services contracts that the health system uses for daily operations. Current or recent examples of these contracts include:

- private contracted nurse and other medical staff who temporarily fill shifts when UConn Health employees resign and refill hiring is underway,
- contracts with outside surgery groups to allow UConn Health to fully meet patient demand in a timely way, and
- supplementary lab testing capacity (e.g., during COVID-19 when volume substantially increased beyond the capacity of UConn Health's lab).

The fiscal impact also depends on whether the bill's requirements extend to renewals of public-private partnership contracts and to new contracts for services previously provided by a different company.

The process created by the bill delays any costs or savings, or revenue generated, that could be anticipated to result from any bid solicitation or RFP covered by the bill. The length of the delay would be equal to the amount of time between the General Assembly receiving the UConn Health Center's filing, and the date of an affirmative vote or rejection. The vote must occur within a specified timeframe that is equal to 30 days if the legislature is in session, or up to approximately eight months if not, in order for the effort to proceed. If one chamber of the General Assembly rejects the filing, the bid solicitation or RFP will be halted, which prevents the realization of any savings or costs that would have resulted.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would

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continue into the future. The fiscal impact depends on the interpretation of the bill's scope, length of delay described above, and the amount of any one-time or annual savings, costs, or revenue anticipated to result from a bid solicitation or request for proposals regarding public-private partnerships or a privatization contract.