

Human Services Committee JOINT FAVORABLE REPORT

Bill No.: HB-6319

AN ACT CONCERNING PAYMENT RECOVERIES AND INCENTIVES UNDER

Title: PUBLIC ASSISTANCE PROGRAMS.

Vote Date: 2/23/2021

Vote Action: Joint Favorable

PH Date: 2/16/2021

File No.:

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SPONSORS OF BILL:

Human Services Committee

REASONS FOR BILL:

This bill has two main provisions: to notify family members of deceased persons when the state is claiming their estates for public assistance debt; and to permit non-profit providers of human services to use any surplus in funding at the end of a contract term to reinvest in client services. The first section is intended to keep family members of decedents properly informed of any claim the state has on their assets, and to do so in a timely fashion. The second section is intended to incentivize providers to achieve efficiencies, enabling them to improve the quality of their services and reach a greater number of clients.

RESPONSE FROM ADMINISTRATION/AGENCY:

No testimony was submitted.

NATURE AND SOURCES OF SUPPORT:

Alan Aleia, CFO, Southeastern Council on Alcoholism and Drug Dependence, Inc.

Doug Ardrey, CFO, SARAH, Inc.

Becky Blazejowski, CFO, MidState Arc, Inc

Christina Emery, Executive Director, Prime Time House,

Win Evarts, Executive Director, The Arc Connecticut,

Alice Forrester, CEO, Clifford W. Beers Guidance Clinic, Inc.

Tammy Freeberg, Vice President Strategy and Planning, The Village for Families & Children

Nancy W. Gentes, Executive Director, Madonna Place, Inc.

Michelle Grant, Director of Finance of The Caring Community of Connecticut

Linda Iovanna, CEO, MARC Community Resources

Heather Marquis, Goodwill of Western and Northern CT

Pamela Paisey, CEO, Community Residences Inc. (CRI)

Luis B. Pérez, President and CEO, Mental Health Connecticut

Anne Ruwet, CEO, CCARC, Inc

Kristie Scott, CEO, Perception Programs

Ben Shaiken, Manager of Advocacy & Public Policy at the CT Community Nonprofit Alliance

Loraine Shea, President and CEO, Easterseals of Greater Waterbury

Stan Soby, Vice President, Public Policy and External Affairs, at Oak Hill

Stephen Zulli, CFO, Journey Found.

Roberta Cook, President and CEO of BHcare

Heather Gates, President/CEO, Community Health Resources

Kimberly L. Beauregard, President and CEO, InterCommunity Health

Sabrina Trocchi, President/ CEO, Wheeler Clinic Inc

In each of their testimonies, they express support for Section 2 of this bill as it would allow state-contracted nonprofit providers to retain a portion of savings to innovate, invest in programs and find efficiencies. This money could be used in a variety of ways: facility improvements, capital improvements, expansion of services, employee compensation, and program implementation. Ms. Paisey and Ms. Trocchi comment that retaining savings from the prior year would allow agencies greater flexibility in how cost savings and efficiencies can be best applied, rather than spending funds in fear of losing them. All of the testifiers agree that the Innovation Incentive Program is a creative way to support nonprofits considering the State's fiscal challenges. If implemented, this program would be monumental in helping to fiscally stabilize nonprofits who have been impacted deeply by this pandemic. In each of their testimonies, they express how the COVID pandemic, has "demonstrated exactly how illogical it is that nonprofits were forced to pay money back to the State in the midst of a deadly pandemic," especially when standard operating costs were increased. Mr. Ardrey comments

that if nonprofits were able to retain surplus it would be a huge incentive to maximize efficiency and increase reserves for future unforeseen circumstances. Mr. Ardrey and Ms. Emery add that having the ability to keep a surplus would allow nonprofits to offset losses in other programs that are chronically underfunded.

NATURE AND SOURCES OF OPPOSITION:

Alison Weir, Policy Advocate and Staff Attorney, Greater Hartford Legal Aid, is in opposition to Section 2 of this bill. She believes that allowing surplus to be reinvested could provide an incentive to “cut corners by limiting services or even denying services although to individuals for whom saving are not likely achievable.” While sympathetic to the desire to increase funding available to nonprofit service providers, Ms. Weir comments that service providers should be adequately funded in the first place. She hopes for a pilot program in order to examine whether the incentive program could successfully operate without sacrificing the quality and quantity of services.

Reported by: Gianna Vollano

Date: March 9, 2021