



General Assembly

Amendment

January Session, 2023

LCO No. 8273



Offered by:

SEN. LESSER, 9th Dist.
REP. GILCHREST, 18th Dist.
SEN. SEMINARA, 8th Dist.
REP. CASE, 63rd Dist.

To: Subst. Senate Bill No. 1109

File No. 677

Cal. No. 406

**"AN ACT CONCERNING MEDICAID REIMBURSEMENT TO
COMMUNITY LIVING ARRANGEMENTS, INTERMEDIATE CARE
FACILITIES FOR INDIVIDUALS WITH INTELLECTUAL DISABILITIES,
RESIDENTIAL CARE HOMES AND NURSING FACILITIES."**

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. (NEW) (*Effective July 1, 2023*) (a) As used in this section and
4 502 of this act, (1) "state agency" has the same meaning as provided in
5 section 1-79 of the general statutes; (2) "health and human services"
6 means services provided under a purchase of services contract, as
7 defined in section 4-70b of the general statutes, or services provided via
8 contract with the Judicial Branch, that directly supports the health,
9 safety and welfare of residents; (3) "nonprofit provider of health and
10 human services" means a nonstate entity that is a nonprofit corporation
11 that receives funds from the state, and may receive federal or other

12 funds, to provide direct health and human services to state agency
13 clients; and (4) "attempt to recover or otherwise offset" means (A) efforts
14 to recoup excess funds at the end of each contract term or fiscal year, (B)
15 reductions in contracted amounts for the same or similar services from
16 one contract period to the next contract period, or (C) demands for other
17 reimbursement of state funds from such organization.

18 (b) Subject to the provisions of subsection (c) of this section, each state
19 agency that contracts with a nonprofit provider of health and human
20 services shall allow such nonprofit organization that otherwise meets
21 contractual requirements to retain any excess funds from the contracted
22 cost for services at the end of a contract term. No state agency shall
23 attempt to recover or otherwise offset funds retained by such nonprofit
24 organization from the contracted cost for services, provided such
25 nonprofit organization meets its contractual obligations with such state
26 agency. Nonprofit providers of health and human services shall be
27 permitted to expend retained funds on programs that are funded by the
28 same state agency.

29 (c) Notwithstanding the provisions of subsection (b) of this section, a
30 nonprofit provider of health and human services shall not retain excess
31 funds from the contracted cost for services under a contract funded in
32 whole, or in part, with federal funds when allowing such organization
33 to retain such funds will jeopardize federal funding or reimbursement
34 for such contract, or when such allowance is prohibited by federal laws
35 or regulations.

36 Sec. 502. (NEW) (*Effective July 1, 2023*) Notwithstanding the
37 provisions of section 501 of this act, the Commissioner of
38 Developmental Services, in consultation with the Secretary of the Office
39 of Policy and Management, may extend the provisions of section 501 of
40 this act to other private provider organizations, as defined in section 4-
41 70b of the general statutes, with which the Department of
42 Developmental Services contracts, provided they meet the provisions
43 set forth in section 501 of this act.

44 Sec. 503. Section 4-216 of the general statutes is repealed and the
45 following is substituted in lieu thereof (*Effective July 1, 2023*):

46 (a) No state agency may execute a personal service agreement having
47 a cost of more than fifty thousand dollars or a term of more than one
48 year, without the approval of the secretary. A state agency may apply
49 for an approval by submitting the following information to the
50 secretary: (1) A description of the services to be purchased and the need
51 for such services; (2) an estimate of the cost of the services and the term
52 of the agreement; (3) whether the services are to be on-going; (4)
53 whether the state agency has contracted out for such services during the
54 preceding two years and, if so, the name of the contractor, term of the
55 agreement with such contractor and the amount paid to the contractor;
56 (5) whether any other state agency has the resources to provide the
57 services; (6) whether the agency intends to purchase the services by
58 competitive negotiation and, if not, why; and (7) whether it is possible
59 to purchase the services on a cooperative basis with other state agencies.
60 The secretary shall approve or disapprove an application within fifteen
61 business days after receiving it and any necessary supporting
62 information, provided if the secretary does not act within such
63 fifteen-day period the application shall be deemed to have been
64 approved. The secretary shall immediately notify the Auditors of Public
65 Accounts of any application which the secretary receives for approval
66 of a personal services agreement for audit services and give said
67 auditors an opportunity to review the application during such fifteen-
68 day period and advise the secretary as to whether such audit services
69 are necessary and, if so, could be provided by said auditors.

70 (b) Each personal service agreement having a cost of more than fifty
71 thousand dollars or a term of more than one year shall be based on
72 competitive negotiation or competitive quotations, unless the state
73 agency purchasing the personal services applies to the secretary for a
74 waiver from such requirement and the secretary grants the waiver in
75 accordance with the guidelines adopted under section 4-215.

76 (c) The secretary shall establish an incentive program for nonprofit

77 providers of health and human services, as defined in section 501 of this
 78 act, that shall [(1)] allow providers [who] that otherwise meet
 79 contractual requirements to retain any savings realized by the providers
 80 from the contracted cost for services [, and (2) provide that future
 81 contracted amounts from the state for the same types of services are not
 82 reduced solely to reflect savings achieved in previous contracts by such
 83 providers. For purposes of this subsection, "nonprofit providers of
 84 human services" includes, but is not limited to, nonprofit providers of
 85 services to persons with intellectual, physical or mental disabilities or
 86 autism spectrum disorder] pursuant to section 501 of this act. Any
 87 nonprofit provider of health and human services [allowed to retain] that
 88 retains savings under the incentive program shall submit a report to the
 89 secretary on how excess funds were reinvested to strengthen quality,
 90 invest in deferred maintenance, [and] supplement other state programs
 91 in deficit, or make asset improvements."

This act shall take effect as follows and shall amend the following sections:		
Sec. 501	July 1, 2023	New section
Sec. 502	July 1, 2023	New section
Sec. 503	July 1, 2023	4-216