



General Assembly

Substitute Bill No. 5624

February Session, 2000

***An Act Concerning The Administration Of Child Care Programs
Under The Department Of Social Services.***

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

1 Section 1. Section 17b-99 of the general statutes is repealed and the
2 following is substituted in lieu thereof:

3 (a) Any vendor found guilty of vendor fraud under sections 53a-290
4 to 53a-296, inclusive, shall be subject to forfeiture or suspension of any
5 franchise or license held by [him] such vendor from the state in
6 accordance with this subsection, after hearing in the manner provided
7 for in sections 4-176e to 4-180a, inclusive, and 4-181a. Any vendor
8 convicted of vendor fraud under sections 53a-290 to 53a-296, inclusive,
9 shall have such license or franchise revoked. Nothing in this subsection
10 shall preclude any board or commission established under chapters
11 369 to 376, inclusive, 378 to 381, inclusive, and 383 to 388, inclusive,
12 and the Department of Public Health with respect to professions under
13 its jurisdiction which have no board or commission from taking any
14 action authorized in section 19a-17. Any vendor who is convicted in
15 any state or federal court of a crime involving fraud in the Medicare
16 program or Medicaid program or aid to families with dependent
17 children program or state-administered general assistance program or
18 temporary family assistance program or state supplement to the
19 federal Supplemental Security Income Program or any federal or state
20 energy assistance program or general assistance program or state-

21 funded child care program or the refugee program shall be terminated
22 from such programs, effective upon conviction, except that the
23 Commissioner of Social Services may delay termination for a period he
24 deems sufficient to protect the health and well-being of beneficiaries
25 receiving services from such vendor. A vendor who is ineligible for
26 federal financial participation shall be ineligible for participation in
27 such programs. No vendor shall be eligible for reimbursement for any
28 goods provided or services performed by a person convicted of a crime
29 involving fraud in such programs. The convicted person may request a
30 hearing concerning such ineligibility for reimbursement pursuant to
31 sections 4-176e to 4-180a, inclusive, and 4-181a provided such request
32 is filed in writing with the Commissioner of Social Services within ten
33 days of the date of written notice by the commissioner to the person of
34 such ineligibility. The commissioner shall give notice of such
35 ineligibility to such vendors by means of publication in the
36 Connecticut Law Journal following the expiration of said ten-day
37 hearing request period, if no timely request has been filed, or following
38 the decision on the hearing. The Commissioner of Social Services may
39 take such steps as [he considers] necessary to inform the public of the
40 conviction and ineligibility for reimbursement. No vendor or person so
41 terminated or denied reimbursement shall be readmitted to or be
42 eligible for reimbursement in such programs. Any sums paid as a
43 result of vendor fraud under sections 53a-290 to 53a-296, inclusive,
44 may be recovered in an action brought by the state against such
45 person.

46 (b) For the purpose of determining compliance with subsection (a),
47 all vendors shall notify the commissioner within thirty days after the
48 date of employment or conviction, whichever is later, of the identity,
49 interest and extent of services performed by any person convicted of a
50 crime involving fraud in the Medicare program or Medicaid program
51 or aid to families with dependent children program or state-
52 administered general assistance program or temporary family
53 assistance program or state supplement to the federal Supplemental
54 Security Income Program or any federal or state energy assistance

55 program or general assistance program or state-funded child care
56 program or the refugee program. Prior to the commissioner's
57 acceptance of a provider agreement or at any time upon written
58 request by the commissioner, the vendor shall furnish the
59 commissioner with the identity of any person convicted of a crime
60 involving fraud in such programs who has an ownership or control
61 interest in the vendor or who is an agent or managing employee. The
62 commissioner shall terminate, refuse to enter into or renew an
63 agreement with a vendor, except a vendor providing room and board
64 and services pursuant to section 17b-340, if such convicted person has
65 such interest or is such agent or employee. In the case of a vendor
66 providing room and board and services pursuant to said section 17b-
67 340, the commissioner may terminate, refuse to enter into or renew an
68 agreement after consideration of any adverse impact on beneficiaries
69 of such termination or refusal.

70 (c) The Department of Social Services shall distribute to all vendors
71 who are providers in the medical assistance program a copy of the
72 rules, regulations, standards and laws governing the program. The
73 Commissioner of Social Services shall adopt by regulation in the
74 manner provided for in sections 4-166 to 4-176, inclusive,
75 administrative sanctions against providers in the Medicare program or
76 Medicaid program or aid to families with dependent children program
77 or state-funded child care program or state-administered general
78 assistance program or temporary family assistance program or state
79 supplement to the federal Supplemental Security Income Program
80 including suspension from the program, for any violations of the rules,
81 regulations, standards or law. The commissioner may adopt
82 regulations in accordance with the provisions of chapter 54 to provide
83 for the withholding of payments currently due in order to offset
84 money previously obtained as the result of error or fraud. The
85 department shall notify the proper professional society and licensing
86 agency of any violations of this section.

87 Sec. 2. Section 17b-737 of the general statutes is repealed and the
88 following is substituted in lieu thereof:

89 The Commissioner of Social Services shall establish a program,
90 within available appropriations, to provide grants to municipalities,
91 boards of education and child care providers to encourage the use of
92 school facilities for the provision of child day care services before and
93 after school. In order to qualify for a grant, a municipality, board of
94 education or child care provider shall guarantee the availability of a
95 school site which meets the standards set by the Department of Public
96 Health in regulations adopted under sections 19a-77, 19a-79, 19a-80
97 and 19a-82 to 19a-87a, inclusive, and shall agree to provide liability
98 insurance coverage for the program. Grant funds shall be used by the
99 municipality, board of education or child care provider for the
100 maintenance and utility costs directly attributable to the use of the
101 school facility for the day care program, for related transportation costs
102 and for the portion of the municipality, board of education or child
103 care provider liability insurance cost and other operational costs
104 directly attributable to the day care program. The municipality or
105 board of education may contract with a child day care provider for the
106 program. [The contract shall limit the amount the provider may charge
107 under the program to the provider's base cost per capita plus a
108 percentage of the base cost.] The Commissioner of Social Services may
109 adopt regulations, in accordance with the provisions of chapter 54 for
110 purposes of this section. The commissioner may utilize available child
111 care subsidies to implement the provisions of this section and
112 encourage association and cooperation with the Head Start program
113 established pursuant to section 10-16n.

114 Sec. 3. Section 53a-290 of the general statutes is repealed and the
115 following is substituted in lieu thereof:

116 A person commits vendor fraud when, with intent to defraud and
117 acting on [his] such person's own or on behalf of an entity, [he] such
118 person provides goods or services to a beneficiary under sections 17b-
119 22, 17b-75 to 17b-77, inclusive, 17b-79 to 17b-103, inclusive, 17b-114,
120 17b-180a, 17b-183, 17b-260 to 17b-262, inclusive, 17b-264 to 17b-285,
121 inclusive, 17b-357 to 17b-362, inclusive, 17b-600 to 17b-604, inclusive,
122 17b-749, as amended, 17b-807 and 17b-808 or provides services to a

123 recipient under Title XIX of the Social Security Act, as amended, and,
124 (1) presents for payment any false claim for goods or services
125 performed; (2) accepts payment for goods or services performed,
126 which exceeds either the amounts due for goods or services
127 performed, or the amounts authorized by law for the cost of such
128 goods or services; (3) solicits to perform services for or sell goods to
129 any such beneficiary, knowing that such beneficiary is not in need of
130 such goods or services; (4) sells goods to or performs services for any
131 such beneficiary without prior authorization by the Department of
132 Social Services, when prior authorization is required by said
133 department for the buying of such goods or the performance of any
134 service; or (5) accepts from any person or source other than the state an
135 additional compensation in excess of the amount authorized by law.

136 Sec. 4. This act shall take effect July 1, 2000.

HS Committee Vote: Yea 18 Nay 0 JFS
APP Committee Vote: Yea 44 Nay 0 JF
JUD Committee Vote: Yea 30 Nay 0 JF