



General Assembly

January Session, 2007

Bill No. 1128

LCO No. 4113

*04113 _____ *

Referred to Committee on Human Services

Introduced by:

SEN. DELUCA, 32nd Dist.

REP. CAFERO, 142nd Dist.

**AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET
RECOMMENDATIONS WITH RESPECT TO SOCIAL SERVICES
PROGRAMS.**

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

1 Section 1. Subsections (a) and (b) of section 17b-321 of the general
2 statutes are repealed and the following is substituted in lieu thereof
3 (*Effective July 1, 2007*):

4 (a) On or before July 1, 2005, and on or before July first biennially
5 thereafter, the Commissioner of Social Services shall determine the
6 amount of the user fee and promptly notify the commissioner and
7 nursing homes of such amount. The user fee shall be (1) the sum of
8 each nursing home's anticipated nursing home net revenue, including,
9 but not limited to, its estimated net revenue from any increases in
10 Medicaid payments, during the twelve-month period ending on June
11 thirtieth of the succeeding calendar year, (2) which sum shall be
12 multiplied by a percentage as determined by the Secretary of the Office
13 of Policy and Management, in consultation with the Commissioner of

14 Social Services, provided before January 1, 2008, such percentage shall
15 not exceed six per cent and on and after January 1, 2008, such
16 percentage shall not exceed five and one-half per cent, and (3) which
17 product shall be divided by the sum of each nursing home's
18 anticipated resident days during the twelve-month period ending on
19 June thirtieth of the succeeding calendar year. The Commissioner of
20 Social Services, in anticipating nursing home net revenue and resident
21 days, shall use the most recently available nursing home net revenue
22 and resident day information. On or before July 1, 2007, the
23 Commissioner of Social Services shall report, in accordance with
24 section 11-4a, to the joint standing committees of the General
25 Assembly having cognizance of matters relating to appropriations and
26 the budgets of state agencies and human services on the detrimental
27 effects, if any, that a biennial determination of the user fee may have
28 on private payors.

29 (b) Upon approval of the waiver of federal requirements for
30 uniform and broad-based user fees in accordance with 42 CFR 433.68
31 pursuant to section 17b-323, the Commissioner of Social Services shall
32 redetermine the amount of the user fee and promptly notify the
33 commissioner and nursing homes of such amount. The user fee shall
34 be (1) the sum of each nursing home's anticipated nursing home net
35 revenue, including, but not limited to, its estimated net revenue from
36 any increases in Medicaid payments, during the twelve-month period
37 ending on June thirtieth of the succeeding calendar year but not
38 including any such anticipated net revenue of any nursing home
39 exempted from such user fee due to waiver of federal requirements
40 pursuant to section 17b-323, (2) which sum shall be multiplied by a
41 percentage as determined by the Secretary of the Office of Policy and
42 Management, in consultation with the Commissioner of Social
43 Services, provided before January 1, 2008, such percentage shall not
44 exceed six per cent and on and after January 1, 2008, such percentage
45 shall not exceed five and one-half per cent, and (3) which product shall
46 be divided by the sum of each nursing home's anticipated resident
47 days, but not including the anticipated resident days of any nursing

48 home exempted from such user fee due to waiver of federal
49 requirements pursuant to section 17b-323. Notwithstanding the
50 provisions of this subsection, the amount of the user fee for each
51 nursing home licensed for more than two hundred thirty beds or
52 owned by a municipality shall be equal to the amount necessary to
53 comply with federal provider tax uniformity waiver requirements as
54 determined by the Commissioner of Social Services. The
55 Commissioner of Social Services may increase retroactively the user fee
56 for nursing homes not licensed for more than two hundred thirty beds
57 and not owned by a municipality to the effective date of waiver of said
58 federal requirements to offset user fee reductions necessary to meet the
59 federal waiver requirements. On or before July 1, 2005, and biennially
60 thereafter, the Commissioner of Social Services shall determine the
61 amount of the user fee in accordance with this subsection. The
62 Commissioner of Social Services, in anticipating nursing home net
63 revenue and resident days, shall use the most recently available
64 nursing home net revenue and resident day information. On or before
65 July 1, 2007, the Commissioner of Social Services shall report, in
66 accordance with section 11-4a, to the joint standing committees of the
67 General Assembly having cognizance of matters relating to
68 appropriations and the budgets of state agencies and human services
69 on the detrimental effects, if any, that a biennial determination of the
70 user fee may have on private payors.

71 Sec. 2. Subsection (b) of section 17b-104 of the general statutes is
72 repealed and the following is substituted in lieu thereof (*Effective July*
73 *1, 2007*):

74 (b) On July 1, 1988, and annually thereafter, the commissioner shall
75 increase the payment standards over those of the previous fiscal year
76 under the aid to families with dependent children program, temporary
77 family assistance program and the state-administered general
78 assistance program by the percentage increase, if any, in the most
79 recent calendar year average in the consumer price index for urban
80 consumers over the average for the previous calendar year, provided

81 the annual increase, if any, shall not exceed five per cent, except that
82 the payment standards for the fiscal years ending June 30, 1992, June
83 30, 1993, June 30, 1994, June 30, 1995, June 30, 1996, June 30, 1997, June
84 30, 1998, June 30, 1999, June 30, 2000, June 30, 2001, June 30, 2002, June
85 30, 2003, June 30, 2004, June 30, 2005, June 30, 2006, [and] June 30, 2007,
86 June 30, 2008, and June 30, 2009, shall not be increased. On January 1,
87 1994, the payment standards shall be equal to the standards of need in
88 effect July 1, 1993.

89 Sec. 3. Subsection (a) of section 17b-106 of the general statutes is
90 repealed and the following is substituted in lieu thereof (*Effective July*
91 *1, 2007*):

92 (a) [On January 1, 2006, and on each January first thereafter, the
93 Commissioner of Social Services shall increase the unearned income
94 disregard for recipients of the state supplement to the federal
95 Supplemental Security Income Program by an amount equal to the
96 federal cost-of-living adjustment, if any, provided to recipients of
97 federal Supplemental Security Income Program benefits for the
98 corresponding calendar year.] On July 1, 1989, and annually thereafter,
99 the commissioner shall increase the adult payment standards over
100 those of the previous fiscal year for the state supplement to the federal
101 Supplemental Security Income Program by the percentage increase, if
102 any, in the most recent calendar year average in the consumer price
103 index for urban consumers over the average for the previous calendar
104 year, provided the annual increase, if any, shall not exceed five per
105 cent, except that the adult payment standards for the fiscal years
106 ending June 30, 1993, June 30, 1994, June 30, 1995, June 30, 1996, June
107 30, 1997, June 30, 1998, June 30, 1999, June 30, 2000, June 30, 2001, June
108 30, 2002, June 30, 2003, June 30, 2004, June 30, 2005, June 30, 2006, [and]
109 June 30, 2007, June 30, 2008, and June 30, 2009, shall not be increased.
110 Effective October 1, 1991, the coverage of excess utility costs for
111 recipients of the state supplement to the federal Supplemental Security
112 Income Program is eliminated. Notwithstanding the provisions of this
113 section, the commissioner may increase the personal needs allowance

114 component of the adult payment standard as necessary to meet federal
115 maintenance of effort requirements.

116 Sec. 4. (*Effective July 1, 2007*) (a) Not later than January 1, 2008, the
117 Department of Social Services shall amend the definition of "medically
118 necessary" services utilized in the administration of the medical
119 assistance program to conform the definition of said term to the
120 definition provided in section 17b-192-2 of the regulations of
121 Connecticut state agencies with respect to administration of the state-
122 administered general assistance program.

123 (b) The commissioner, pursuant to section 17b-10 of the general
124 statutes, may implement policies and procedures necessary to
125 administer the provisions of this section while in the process of
126 adopting such policies and procedures as regulation, provided the
127 commissioner prints notice of intent to adopt regulations in the
128 Connecticut Law Journal not later than twenty days after the date of
129 implementation. Policies and procedures implemented pursuant to
130 this section shall be valid until the time final regulations are adopted.

131 Sec. 5. Section 17b-265e of the general statutes is repealed and the
132 following is substituted in lieu thereof (*Effective July 1, 2007*):

133 (a) There is established a fund to be known as the "Medicare Part D
134 Supplemental Needs Fund" which shall be an account within the
135 General Fund under the Department of Social Services. [The
136 Commissioner of Social Services shall, within available appropriations,
137 designate moneys to said fund.] Moneys available in said fund shall be
138 utilized by the Department of Social Services to provide [financial]
139 assistance to Medicare Part D beneficiaries who are enrolled in the
140 ConnPACE program or who are full benefit dually eligible Medicare
141 Part D beneficiaries, as defined in section 17b-265d, and [who lack the
142 financial means to obtain medically necessary] whose medical needs
143 require that they obtain nonformulary prescription drugs. A
144 beneficiary requesting such [financial] assistance from the department
145 shall be required to make a satisfactory showing of the medical

146 necessity of obtaining such nonformulary prescription drug to the
147 department. If the department, in consultation with the prescribing
148 physician, determines that the prescription is medically necessary, the
149 department shall cover the cost of the original prescription and any
150 prescribed refills of the original prescription, less any applicable
151 copayments. The department [may] shall require as a condition of
152 receiving such [financial] assistance that a beneficiary establish, to the
153 satisfaction of the department, that the beneficiary has made good faith
154 efforts to: (1) Enroll in a Medicare Part D plan recommended by the
155 commissioner or the commissioner's agent; and (2) utilize the
156 exception process established by the prescription drug plan in which
157 the beneficiary is enrolled. [The department shall expeditiously review
158 all requests for financial assistance pursuant to this section and shall
159 notify the beneficiary as to whether the request for financial assistance
160 has been granted not later than two hours after receiving the request
161 from the beneficiary.] The commissioner shall implement policies and
162 procedures to administer the provisions of this section and to ensure
163 that all requests for, and determinations made concerning [financial]
164 assistance available pursuant to this section are expeditiously
165 processed.

166 (b) Assistance provided in accordance with the provisions of
167 subsection (a) of this section shall be subject to available funds. All
168 expenditures for prescription drugs under subsection (a) of this section
169 shall be charged to the Medicare Part D Supplemental Needs Fund
170 account. For each fiscal year, such expenditures shall not exceed the
171 amount appropriated to the Department of Social Services in section 1
172 of public act 06-186 for the Medicare Part D Supplemental Needs
173 Fund.

174 [(b)] (c) The Department of Social Services shall, in accordance with
175 the provisions of this section, pay claims for prescription drugs for
176 Medicare Part D beneficiaries, who are also either Medicaid or
177 ConnPACE recipients and who are denied coverage by the Medicare
178 Part D plan in which such beneficiary is enrolled because a prescribed

179 drug is not on the formulary utilized by such Medicare Part D plan.
180 Payment shall initially be made by the department for a thirty-day
181 supply, subject to any applicable copayment. The beneficiary shall
182 appoint the commissioner as such beneficiary's representative for the
183 purpose of appealing any denial of Medicare Part D benefits and for
184 any other purpose allowed under said act and deemed necessary by
185 the commissioner.

186 [(c)] (d) Notwithstanding any provision of the general statutes, not
187 later than July 1, 2006, the Commissioner of Social Services shall
188 contract with an entity specializing in Medicare appeals and
189 reconsideration for the purpose of having such entity exhaust remedies
190 for pursuing payment under Medicare Part D by Part D plans for
191 prescriptions denied as nonformulary drugs, including remedies
192 available through reconsideration by an independent review entity,
193 review by an administrative law judge, the Medicare Appeals Council
194 or Federal District Court. Reimbursement secured by such entity from
195 the Part D plan shall be returned to the Department of Social Services.

196 [(d)] (e) The entity contracting with the Department of Social
197 Services pursuant to subsection [(c)] (d) of this section shall submit
198 appeals beyond the independent review entity only upon
199 authorization from the department. Upon determination by the
200 department that it is not cost-effective to pursue further appeals, the
201 department shall pay for the denied nonformulary drug for the
202 remainder of the calendar year, provided the beneficiary remains
203 enrolled in the Part D plan that denied coverage. Pending the outcome
204 of the appeals process, the department shall continue to pay claims for
205 the nonformulary drug denied by the Part D plan until the earlier of
206 approval of such drug by the Part D plan or for the remainder of the
207 calendar year.

208 Sec. 6. Section 19a-495a of the general statutes is repealed and the
209 following is substituted in lieu thereof (*Effective July 1, 2007*):

210 [On or before July 1, 2000, the] (a) (1) The Commissioner of Public

211 Health shall adopt regulations, in accordance with the provisions of
212 chapter 54, to [allow unlicensed personnel in] require each residential
213 care [homes] home, as defined in section 19a-490, to (A) designate an
214 appropriate number of unlicensed personnel to obtain certification for
215 the administration of medication, and (B) to ensure that such number
216 of unlicensed personnel receive such certification.

217 (2) The regulations shall establish (A) criteria to be used by such
218 homes in determining the appropriate number of unlicensed personnel
219 who shall obtain such certification, and (B) training requirements for
220 such certification, including on-going training requirements, that
221 include but are not limited to: Initial orientation, resident rights,
222 behavioral management, personal care, nutrition and food safety, and
223 health and safety in general.

224 (b) Each residential care home, as defined in section 19a-490, shall
225 ensure that, on or before January 1, 2008, an appropriate number of
226 unlicensed personnel, as determined by the residential care home,
227 obtain certification for the administration of medication. Certification
228 of such personnel shall be in accordance with regulations adopted
229 pursuant to section 19a-495a as amended by this act. Personnel
230 obtaining such certification may administer medications to residents of
231 such homes.

232 Sec. 7. Section 17b-369 of the general statutes is repealed and the
233 following is substituted in lieu thereof (*Effective July 1, 2007*):

234 The Commissioner of Social Services, pursuant to Section 6071 of
235 the Deficit Reduction Act of 2005, may submit an application to the
236 Secretary of Health and Human Services to establish a Money Follows
237 the Person demonstration project. [In the event the state is selected to
238 participate in the demonstration project and the Department of Social
239 Services elects to participate in such project, such] Such project shall
240 serve not more than [one] seven hundred persons and shall be
241 designed to achieve the objectives set forth in Section 6071(a) of the
242 Deficit Reduction Act of 2005. Services available under the

243 demonstration project shall include, but not be limited to, personal
244 care assistance services. The commissioner may apply for a Medicaid
245 research and demonstration waiver under Section 1115 of the Social
246 Security Act, if such waiver is necessary to implement the
247 demonstration project. The commissioner may, if necessary, modify
248 any existing Medicaid home or community-based waiver if such
249 modification is required to implement the demonstration project.

250 Sec. 8. Section 17b-285 of the general statutes is repealed and the
251 following is substituted in lieu thereof (*Effective July 1, 2007*):

252 [An] Notwithstanding any provision of the general statutes, an
253 institutionalized person or person in need of institutional care who
254 applies for Medicaid [shall] may assign to the Commissioner of Social
255 Services the right of support derived from the assets of the community
256 spouse of such person [, provided the spouse of such person is
257 unwilling or unable to provide the information necessary to determine
258 eligibility for Medicaid] but only if (1) the assets of the institutionalized
259 person or person in need of institutional care do not exceed the
260 Medicaid program asset limit; and (2) the institutionalized person or
261 person in need of institutional care cannot locate the community
262 spouse; or the community spouse is unable to provide information
263 regarding his or her own assets. If such [applicant] assignment is made
264 or if the institutionalized person or person in need of institutional care
265 lacks the ability to execute such an assignment due to physical or
266 mental impairment, the commissioner may [bring a support
267 proceeding against such applicant's spouse without such assignment]
268 seek recovery of any medical assistance paid on behalf of the
269 institutionalized person or person in need of institutional care up to
270 the amount of the community spouse's assets that are in excess of the
271 community spouse protected amount as of the initial month of
272 Medicaid eligibility.

273 Sec. 9. (NEW) (*Effective July 1, 2007*) (a) The Commissioner of Social
274 Services shall seek a waiver from federal law for the purpose of

275 enhancing the enrollment of HUSKY Plan, Part A recipients in
276 available employer sponsored private health insurance. Such a waiver
277 shall include, but shall not be limited to, provisions that: (1) Require
278 the enrollment of HUSKY Plan, Part A caretaker relatives and
279 dependents in any available employer sponsored health insurance to
280 the maximum extent of available coverage as a condition of eligibility
281 when determined to be cost effective by the Department of Social
282 Services; (2) require a subsidy to be paid directly to the HUSKY Plan,
283 Part A caretaker relative in an amount equal to the premium payment
284 requirements of any available employer sponsored health insurance
285 paid by way of payroll deduction; and (3) assure HUSKY Plan, Part A
286 coverage requirements for medical assistance not covered by any
287 available employment sponsored health insurance.

288 (b) Notwithstanding any provision of the general statutes or any
289 provision established in a contract between an employer and a health
290 insurance carrier, no HUSKY Plan, Part A recipient, required to enroll
291 in available employer sponsored health insurance under this section,
292 shall be prohibited from enrollment in employer sponsored health
293 insurance due to limitations on enrollment of employees in employer
294 sponsored health insurance to open enrollment periods.

295 (c) The Commissioner of Social Services, pursuant to section 17b-10
296 of the general statutes, may implement policies and procedures
297 necessary to administer the provisions of this section while in the
298 process of adopting such policies and procedures as regulation,
299 provided the commissioner prints notice of the intent to adopt the
300 regulation in the Connecticut Law Journal not later than twenty days
301 after the date of implementation. Policies and procedures implemented
302 pursuant to this section shall be valid until the time final regulations
303 are adopted.

304 Sec. 10. Subdivision (4) of subsection (f) of section 17b-340 of the
305 general statutes is repealed and the following is substituted in lieu
306 thereof (*Effective July 1, 2007*):

307 (4) For the fiscal year ending June 30, 1992, (A) no facility shall
308 receive a rate that is less than the rate it received for the rate year
309 ending June 30, 1991; (B) no facility whose rate, if determined pursuant
310 to this subsection, would exceed one hundred twenty per cent of the
311 state-wide median rate, as determined pursuant to this subsection,
312 shall receive a rate which is five and one-half per cent more than the
313 rate it received for the rate year ending June 30, 1991; and (C) no
314 facility whose rate, if determined pursuant to this subsection, would be
315 less than one hundred twenty per cent of the state-wide median rate,
316 as determined pursuant to this subsection, shall receive a rate which is
317 six and one-half per cent more than the rate it received for the rate year
318 ending June 30, 1991. For the fiscal year ending June 30, 1993, no
319 facility shall receive a rate that is less than the rate it received for the
320 rate year ending June 30, 1992, or six per cent more than the rate it
321 received for the rate year ending June 30, 1992. For the fiscal year
322 ending June 30, 1994, no facility shall receive a rate that is less than the
323 rate it received for the rate year ending June 30, 1993, or six per cent
324 more than the rate it received for the rate year ending June 30, 1993.
325 For the fiscal year ending June 30, 1995, no facility shall receive a rate
326 that is more than five per cent less than the rate it received for the rate
327 year ending June 30, 1994, or six per cent more than the rate it received
328 for the rate year ending June 30, 1994. For the fiscal years ending June
329 30, 1996, and June 30, 1997, no facility shall receive a rate that is more
330 than three per cent more than the rate it received for the prior rate
331 year. For the fiscal year ending June 30, 1998, a facility shall receive a
332 rate increase that is not more than two per cent more than the rate that
333 the facility received in the prior year. For the fiscal year ending June
334 30, 1999, a facility shall receive a rate increase that is not more than
335 three per cent more than the rate that the facility received in the prior
336 year and that is not less than one per cent more than the rate that the
337 facility received in the prior year, exclusive of rate increases associated
338 with a wage, benefit and staffing enhancement rate adjustment added
339 for the period from April 1, 1999, to June 30, 1999, inclusive. For the
340 fiscal year ending June 30, 2000, each facility, except a facility with an

341 interim rate or replaced interim rate for the fiscal year ending June 30,
342 1999, and a facility having a certificate of need or other agreement
343 specifying rate adjustments for the fiscal year ending June 30, 2000,
344 shall receive a rate increase equal to one per cent applied to the rate the
345 facility received for the fiscal year ending June 30, 1999, exclusive of
346 the facility's wage, benefit and staffing enhancement rate adjustment.
347 For the fiscal year ending June 30, 2000, no facility with an interim rate,
348 replaced interim rate or scheduled rate adjustment specified in a
349 certificate of need or other agreement for the fiscal year ending June
350 30, 2000, shall receive a rate increase that is more than one per cent
351 more than the rate the facility received in the fiscal year ending June
352 30, 1999. For the fiscal year ending June 30, 2001, each facility, except a
353 facility with an interim rate or replaced interim rate for the fiscal year
354 ending June 30, 2000, and a facility having a certificate of need or other
355 agreement specifying rate adjustments for the fiscal year ending June
356 30, 2001, shall receive a rate increase equal to two per cent applied to
357 the rate the facility received for the fiscal year ending June 30, 2000,
358 subject to verification of wage enhancement adjustments pursuant to
359 subdivision (15) of this subsection. For the fiscal year ending June 30,
360 2001, no facility with an interim rate, replaced interim rate or
361 scheduled rate adjustment specified in a certificate of need or other
362 agreement for the fiscal year ending June 30, 2001, shall receive a rate
363 increase that is more than two per cent more than the rate the facility
364 received for the fiscal year ending June 30, 2000. For the fiscal year
365 ending June 30, 2002, each facility shall receive a rate that is two and
366 one-half per cent more than the rate the facility received in the prior
367 fiscal year. For the fiscal year ending June 30, 2003, each facility shall
368 receive a rate that is two per cent more than the rate the facility
369 received in the prior fiscal year, except that such increase shall be
370 effective January 1, 2003, and such facility rate in effect for the fiscal
371 year ending June 30, 2002, shall be paid for services provided until
372 December 31, 2002, except any facility that would have been issued a
373 lower rate effective July 1, 2002, than for the fiscal year ending June 30,
374 2002, due to interim rate status or agreement with the department shall

375 be issued such lower rate effective July 1, 2002, and have such rate
376 increased two per cent effective June 1, 2003. For the fiscal year ending
377 June 30, 2004, rates in effect for the period ending June 30, 2003, shall
378 remain in effect, except any facility that would have been issued a
379 lower rate effective July 1, 2003, than for the fiscal year ending June 30,
380 2003, due to interim rate status or agreement with the department shall
381 be issued such lower rate effective July 1, 2003. For the fiscal year
382 ending June 30, 2005, rates in effect for the period ending June 30, 2004,
383 shall remain in effect until December 31, 2004, except any facility that
384 would have been issued a lower rate effective July 1, 2004, than for the
385 fiscal year ending June 30, 2004, due to interim rate status or
386 agreement with the department shall be issued such lower rate
387 effective July 1, 2004. Effective January 1, 2005, each facility shall
388 receive a rate that is one per cent greater than the rate in effect
389 December 31, 2004. Effective upon receipt of all the necessary federal
390 approvals to secure federal financial participation matching funds
391 associated with the rate increase provided in this subdivision, but in
392 no event earlier than July 1, 2005, and provided the user fee imposed
393 under section 17b-320 is required to be collected, for the fiscal year
394 ending June 30, 2006, the department shall compute the rate for each
395 facility based upon its 2003 cost report filing or, a subsequent cost year
396 filing for facilities having an interim rate for the period ending June 30,
397 2005, as provided under section 17-311-55 of the regulations of
398 Connecticut state agencies. For each facility not having an interim rate
399 for the period ending June 30, 2005, the rate for the period ending June
400 30, 2006, shall be determined beginning with the higher of the
401 computed rate based upon its 2003 cost report filing or the rate in
402 effect for the period ending June 30, 2005. Such rate shall then be
403 increased by eleven dollars and eighty cents per day except that in no
404 event shall the rate for the period ending June 30, 2006, be thirty-two
405 dollars more than the rate in effect for the period ending June 30, 2005,
406 and for any facility with a rate below one hundred ninety-five dollars
407 per day for the period ending June 30, 2005, such rate for the period
408 ending June 30, 2006, shall not be greater than two hundred seventeen

409 dollars and forty-three cents per day and for any facility with a rate
410 equal to or greater than one hundred ninety-five dollars per day for
411 the period ending June 30, 2005, such rate for the period ending June
412 30, 2006, shall not exceed the rate in effect for the period ending June
413 30, 2005, increased by eleven and one-half per cent. For each facility
414 with an interim rate for the period ending June 30, 2005, the interim
415 replacement rate for the period ending June 30, 2006, shall not exceed
416 the rate in effect for the period ending June 30, 2005, increased by
417 eleven dollars and eighty cents per day plus the per day cost of the
418 user fee payments made pursuant to section 17b-320 divided by
419 annual resident service days, except for any facility with an interim
420 rate below one hundred ninety-five dollars per day for the period
421 ending June 30, 2005, the interim replacement rate for the period
422 ending June 30, 2006, shall not be greater than two hundred seventeen
423 dollars and forty-three cents per day and for any facility with an
424 interim rate equal to or greater than one hundred ninety-five dollars
425 per day for the period ending June 30, 2005, the interim replacement
426 rate for the period ending June 30, 2006, shall not exceed the rate in
427 effect for the period ending June 30, 2005, increased by eleven and one-
428 half per cent. Such July 1, 2005, rate adjustments shall remain in effect
429 unless (i) the federal financial participation matching funds associated
430 with the rate increase are no longer available; or (ii) the user fee
431 created pursuant to section 17b-320 is not in effect. For the fiscal year
432 ending June 30, 2007, each facility shall receive a rate that is three per
433 cent greater than the rate in effect for the period ending June 30, 2006,
434 except any facility that would have been issued a lower rate effective
435 July 1, 2006, than for the rate period ending June 30, 2006, due to
436 interim rate status or agreement with the department, shall be issued
437 such lower rate effective July 1, 2006. For the fiscal years ending June
438 30, 2008, and June 30, 2009, rates in effect for the period ending June
439 30, 2007, shall remain in effect until June 30, 2009, except any facility
440 that would have been issued a lower rate for the fiscal year ending
441 June 30, 2008, or June 30, 2009, due to interim rate status or agreement
442 with the department, shall be issued such lower rate. The

443 Commissioner of Social Services shall add fair rent increases to any
444 other rate increases established pursuant to this subdivision for a
445 facility which has undergone a material change in circumstances
446 related to fair rent. Interim rates may take into account reasonable
447 costs incurred by a facility, including wages and benefits.

448 Sec. 11. Subsection (g) of section 17b-340 of the general statutes is
449 repealed and the following is substituted in lieu thereof (*Effective July*
450 *1, 2007*):

451 (g) For the fiscal year ending June 30, 1993, any intermediate care
452 facility for the mentally retarded with an operating cost component of
453 its rate in excess of one hundred forty per cent of the median of
454 operating cost components of rates in effect January 1, 1992, shall not
455 receive an operating cost component increase. For the fiscal year
456 ending June 30, 1993, any intermediate care facility for the mentally
457 retarded with an operating cost component of its rate that is less than
458 one hundred forty per cent of the median of operating cost
459 components of rates in effect January 1, 1992, shall have an allowance
460 for real wage growth equal to thirty per cent of the increase
461 determined in accordance with subsection (q) of section 17-311-52 of
462 the regulations of Connecticut state agencies, provided such operating
463 cost component shall not exceed one hundred forty per cent of the
464 median of operating cost components in effect January 1, 1992. Any
465 facility with real property other than land placed in service prior to
466 October 1, 1991, shall, for the fiscal year ending June 30, 1995, receive a
467 rate of return on real property equal to the average of the rates of
468 return applied to real property other than land placed in service for the
469 five years preceding October 1, 1993. For the fiscal year ending June 30,
470 1996, and any succeeding fiscal year, the rate of return on real property
471 for property items shall be revised every five years. The commissioner
472 shall, upon submission of a request, allow actual debt service,
473 comprised of principal and interest, in excess of property costs allowed
474 pursuant to section 17-311-52 of the regulations of Connecticut state
475 agencies, provided such debt service terms and amounts are

476 reasonable in relation to the useful life and the base value of the
477 property. For the fiscal year ending June 30, 1995, and any succeeding
478 fiscal year, the inflation adjustment made in accordance with
479 subsection (p) of section 17-311-52 of the regulations of Connecticut
480 state agencies shall not be applied to real property costs. For the fiscal
481 year ending June 30, 1996, and any succeeding fiscal year, the
482 allowance for real wage growth, as determined in accordance with
483 subsection (q) of section 17-311-52 of the regulations of Connecticut
484 state agencies, shall not be applied. For the fiscal year ending June 30,
485 1996, and any succeeding fiscal year, no rate shall exceed three
486 hundred seventy-five dollars per day unless the commissioner, in
487 consultation with the Commissioner of Mental Retardation,
488 determines after a review of program and management costs, that a
489 rate in excess of this amount is necessary for care and treatment of
490 facility residents. For the fiscal year ending June 30, 2002, rate period,
491 the Commissioner of Social Services shall increase the inflation
492 adjustment for rates made in accordance with subsection (p) of section
493 17-311-52 of the regulations of Connecticut state agencies to update
494 allowable fiscal year 2000 costs to include a three and one-half per cent
495 inflation factor. For the fiscal year ending June 30, 2003, rate period, the
496 commissioner shall increase the inflation adjustment for rates made in
497 accordance with subsection (p) of section 17-311-52 of the regulations
498 of Connecticut state agencies to update allowable fiscal year 2001 costs
499 to include a one and one-half per cent inflation factor, except that such
500 increase shall be effective November 1, 2002, and such facility rate in
501 effect for the fiscal year ending June 30, 2002, shall be paid for services
502 provided until October 31, 2002, except any facility that would have
503 been issued a lower rate effective July 1, 2002, than for the fiscal year
504 ending June 30, 2002, due to interim rate status or agreement with the
505 department shall be issued such lower rate effective July 1, 2002, and
506 have such rate updated effective November 1, 2002, in accordance with
507 applicable statutes and regulations. For the fiscal year ending June 30,
508 2004, rates in effect for the period ending June 30, 2003, shall remain in
509 effect, except any facility that would have been issued a lower rate

510 effective July 1, 2003, than for the fiscal year ending June 30, 2003, due
511 to interim rate status or agreement with the department shall be issued
512 such lower rate effective July 1, 2003. For the fiscal year ending June
513 30, 2005, rates in effect for the period ending June 30, 2004, shall
514 remain in effect until September 30, 2004. Effective October 1, 2004,
515 each facility shall receive a rate that is five per cent greater than the
516 rate in effect September 30, 2004. Effective upon receipt of all the
517 necessary federal approvals to secure federal financial participation
518 matching funds associated with the rate increase provided in
519 subdivision (4) of subsection (f) of this section, but in no event earlier
520 than October 1, 2005, and provided the user fee imposed under section
521 17b-320 is required to be collected, each facility shall receive a rate that
522 is four per cent more than the rate the facility received in the prior
523 fiscal year, except any facility that would have been issued a lower rate
524 effective October 1, 2005, than for the fiscal year ending June 30, 2005,
525 due to interim rate status or agreement with the department, shall be
526 issued such lower rate effective October 1, 2005. Such rate increase
527 shall remain in effect unless: (A) The federal financial participation
528 matching funds associated with the rate increase are no longer
529 available; or (B) the user fee created pursuant to section 17b-320 is not
530 in effect. For the fiscal year ending June 30, 2007, rates in effect for the
531 period ending June 30, 2006, shall remain in effect until September 30,
532 2006, except any facility that would have been issued a lower rate
533 effective July 1, 2006, than for the fiscal year ending June 30, 2006, due
534 to interim rate status or agreement with the department, shall be
535 issued such lower rate effective July 1, 2006. Effective October 1, 2006,
536 no facility shall receive a rate that is more than three per cent greater
537 than the rate in effect for the facility on September 30, 2006, except for
538 any facility that would have been issued a lower rate effective October
539 1, 2006, due to interim rate status or agreement with the department,
540 shall be issued such lower rate effective October 1, 2006. For the fiscal
541 years ending June 30, 2008, and June 30, 2009, rates in effect for the
542 period ending June 30, 2007, shall remain in effect until June 30, 2009,
543 except any facility that would have been issued a lower rate for the

544 fiscal year ending June 30, 2008, or June 30, 2009, due to interim rate
545 status or agreement with the department, shall be issued such lower
546 rate.

547 Sec. 12. Subdivision (1) of subsection (h) of section 17b-340 of the
548 general statutes is repealed and the following is substituted in lieu
549 thereof (*Effective July 1, 2007*):

550 (h) (1) For the fiscal year ending June 30, 1993, any residential care
551 home with an operating cost component of its rate in excess of one
552 hundred thirty per cent of the median of operating cost components of
553 rates in effect January 1, 1992, shall not receive an operating cost
554 component increase. For the fiscal year ending June 30, 1993, any
555 residential care home with an operating cost component of its rate that
556 is less than one hundred thirty per cent of the median of operating cost
557 components of rates in effect January 1, 1992, shall have an allowance
558 for real wage growth equal to sixty-five per cent of the increase
559 determined in accordance with subsection (q) of section 17-311-52 of
560 the regulations of Connecticut state agencies, provided such operating
561 cost component shall not exceed one hundred thirty per cent of the
562 median of operating cost components in effect January 1, 1992.
563 Beginning with the fiscal year ending June 30, 1993, for the purpose of
564 determining allowable fair rent, a residential care home with allowable
565 fair rent less than the twenty-fifth percentile of the state-wide
566 allowable fair rent shall be reimbursed as having allowable fair rent
567 equal to the twenty-fifth percentile of the state-wide allowable fair
568 rent. Beginning with the fiscal year ending June 30, 1997, a residential
569 care home with allowable fair rent less than three dollars and ten cents
570 per day shall be reimbursed as having allowable fair rent equal to
571 three dollars and ten cents per day. Property additions placed in
572 service during the cost year ending September 30, 1996, or any
573 succeeding cost year shall receive a fair rent allowance for such
574 additions as an addition to three dollars and ten cents per day if the
575 fair rent for the facility for property placed in service prior to
576 September 30, 1995, is less than or equal to three dollars and ten cents

577 per day. For the fiscal year ending June 30, 1996, and any succeeding
578 fiscal year, the allowance for real wage growth, as determined in
579 accordance with subsection (q) of section 17-311-52 of the regulations
580 of Connecticut state agencies, shall not be applied. For the fiscal year
581 ending June 30, 1996, and any succeeding fiscal year, the inflation
582 adjustment made in accordance with subsection (p) of section
583 17-311-52 of the regulations of Connecticut state agencies shall not be
584 applied to real property costs. Beginning with the fiscal year ending
585 June 30, 1997, minimum allowable patient days for rate computation
586 purposes for a residential care home with twenty-five beds or less shall
587 be eighty-five per cent of licensed capacity. Beginning with the fiscal
588 year ending June 30, 2002, for the purposes of determining the
589 allowable salary of an administrator of a residential care home with
590 sixty beds or less the department shall revise the allowable base salary
591 to thirty-seven thousand dollars to be annually inflated thereafter in
592 accordance with section 17-311-52 of the regulations of Connecticut
593 state agencies. The rates for the fiscal year ending June 30, 2002, shall
594 be based upon the increased allowable salary of an administrator,
595 regardless of whether such amount was expended in the 2000 cost
596 report period upon which the rates are based. Beginning with the fiscal
597 year ending June 30, 2000, the inflation adjustment for rates made in
598 accordance with subsection (p) of section 17-311-52 of the regulations
599 of Connecticut state agencies shall be increased by two per cent, and
600 beginning with the fiscal year ending June 30, 2002, the inflation
601 adjustment for rates made in accordance with subsection (c) of said
602 section shall be increased by one per cent. Beginning with the fiscal
603 year ending June 30, 1999, for the purpose of determining the
604 allowable salary of a related party, the department shall revise the
605 maximum salary to twenty-seven thousand eight hundred fifty-six
606 dollars to be annually inflated thereafter in accordance with section
607 17-311-52 of the regulations of Connecticut state agencies and
608 beginning with the fiscal year ending June 30, 2001, such allowable
609 salary shall be computed on an hourly basis and the maximum
610 number of hours allowed for a related party other than the proprietor

611 shall be increased from forty hours to forty-eight hours per work week.
612 For the fiscal year ending June 30, 2005, each facility shall receive a rate
613 that is two and one-quarter per cent more than the rate the facility
614 received in the prior fiscal year, except any facility that would have
615 been issued a lower rate effective July 1, 2004, than for the fiscal year
616 ending June 30, 2004, due to interim rate status or agreement with the
617 department shall be issued such lower rate effective July 1, 2004.
618 Effective upon receipt of all the necessary federal approvals to secure
619 federal financial participation matching funds associated with the rate
620 increase provided in subdivision (4) of subsection (f) of this section,
621 but in no event earlier than October 1, 2005, and provided the user fee
622 imposed under section 17b-320 is required to be collected, each facility
623 shall receive a rate that is determined in accordance with applicable
624 law and subject to appropriations, except any facility that would have
625 been issued a lower rate effective October 1, 2005, than for the fiscal
626 year ending June 30, 2005, due to interim rate status or agreement with
627 the department, shall be issued such lower rate effective October 1,
628 2005. Such rate increase shall remain in effect unless: (A) The federal
629 financial participation matching funds associated with the rate increase
630 are no longer available; or (B) the user fee created pursuant to section
631 17b-320 is not in effect. For the fiscal year ending June 30, 2007, rates in
632 effect for the period ending June 30, 2006, shall remain in effect until
633 September 30, 2006, except any facility that would have been issued a
634 lower rate effective July 1, 2006, than for the fiscal year ending June 30,
635 2006, due to interim rate status or agreement with the department,
636 shall be issued such lower rate effective July 1, 2006. Effective October
637 1, 2006, no facility shall receive a rate that is more than four per cent
638 greater than the rate in effect for the facility on September 30, 2006,
639 except for any facility that would have been issued a lower rate
640 effective October 1, 2006, due to interim rate status or agreement with
641 the department, shall be issued such lower rate effective October 1,
642 2006. For the fiscal year ending June 30, 2008, no facility shall receive a
643 rate that is more than two per cent greater than the rate in effect for the
644 facility on June 30, 2007, except for any facility that would have been

645 issued a lower rate effective July 1, 2007, due to interim rate status or
646 agreement with the department, shall be issued such lower rate
647 effective July 1, 2007. For the fiscal year ending June 30, 2009, no
648 facility shall receive a rate that is more than two per cent greater than
649 the rate in effect for the facility on June 30, 2008, except for any facility
650 that would have been issued a lower rate effective July 1, 2008, due to
651 interim rate status or agreement with the department, shall be issued
652 such lower rate effective July 1, 2008.

653 Sec. 13. Subsection (a) of section 17b-244 of the general statutes is
654 repealed and the following is substituted in lieu thereof (*Effective July*
655 *1, 2007*):

656 (a) The room and board component of the rates to be paid by the
657 state to private facilities and facilities operated by regional education
658 service centers which are licensed to provide residential care pursuant
659 to section 17a-227, but not certified to participate in the Title XIX
660 Medicaid program as intermediate care facilities for persons with
661 mental retardation, shall be determined annually by the Commissioner
662 of Social Services, except that rates effective April 30, 1989, shall
663 remain in effect through October 31, 1989. Any facility with real
664 property other than land placed in service prior to July 1, 1991, shall,
665 for the fiscal year ending June 30, 1995, receive a rate of return on real
666 property equal to the average of the rates of return applied to real
667 property other than land placed in service for the five years preceding
668 July 1, 1993. For the fiscal year ending June 30, 1996, and any
669 succeeding fiscal year, the rate of return on real property for property
670 items shall be revised every five years. The commissioner shall, upon
671 submission of a request by such facility, allow actual debt service,
672 comprised of principal and interest, on the loan or loans in lieu of
673 property costs allowed pursuant to section 17-313b-5 of the regulations
674 of Connecticut state agencies, whether actual debt service is higher or
675 lower than such allowed property costs, provided such debt service
676 terms and amounts are reasonable in relation to the useful life and the
677 base value of the property. In the case of facilities financed through the

678 Connecticut Housing Finance Authority, the commissioner shall allow
679 actual debt service, comprised of principal, interest and a reasonable
680 repair and replacement reserve on the loan or loans in lieu of property
681 costs allowed pursuant to section 17-313b-5 of the regulations of
682 Connecticut state agencies, whether actual debt service is higher or
683 lower than such allowed property costs, provided such debt service
684 terms and amounts are determined by the commissioner at the time
685 the loan is entered into to be reasonable in relation to the useful life
686 and base value of the property. The commissioner may allow fees
687 associated with mortgage refinancing provided such refinancing will
688 result in state reimbursement savings, after comparing costs over the
689 terms of the existing proposed loans. For the fiscal year ending June 30,
690 1992, the inflation factor used to determine rates shall be one-half of
691 the gross national product percentage increase for the period between
692 the midpoint of the cost year through the midpoint of the rate year. For
693 fiscal year ending June 30, 1993, the inflation factor used to determine
694 rates shall be two-thirds of the gross national product percentage
695 increase from the midpoint of the cost year to the midpoint of the rate
696 year. For the fiscal years ending June 30, 1996, and June 30, 1997, no
697 inflation factor shall be applied in determining rates. The
698 Commissioner of Social Services shall prescribe uniform forms on
699 which such facilities shall report their costs. Such rates shall be
700 determined on the basis of a reasonable payment for necessary
701 services. Any increase in grants, gifts, fund-raising or endowment
702 income used for the payment of operating costs by a private facility in
703 the fiscal year ending June 30, 1992, shall be excluded by the
704 commissioner from the income of the facility in determining the rates
705 to be paid to the facility for the fiscal year ending June 30, 1993,
706 provided any operating costs funded by such increase shall not
707 obligate the state to increase expenditures in subsequent fiscal years.
708 Nothing contained in this section shall authorize a payment by the
709 state to any such facility in excess of the charges made by the facility
710 for comparable services to the general public. The service component
711 of the rates to be paid by the state to private facilities and facilities

712 operated by regional education service centers which are licensed to
713 provide residential care pursuant to section 17a-227, but not certified
714 to participate in the Title XIX Medicaid programs as intermediate care
715 facilities for persons with mental retardation, shall be determined
716 annually by the Commissioner of Mental Retardation in accordance
717 with section 17b-244a. For the fiscal year ending June 30, 2008, no
718 facility shall receive a rate that is more than two per cent greater than
719 the rate in effect for the facility on June 30, 2007, except for any facility
720 that would have been issued a lower rate effective July 1, 2007, due to
721 interim rate status or agreement with the department, shall be issued
722 such lower rate effective July 1, 2007. For the fiscal year ending June
723 30, 2009, no facility shall receive a rate that is more than two per cent
724 greater than the rate in effect for the facility on June 30, 2008, except for
725 any facility that would have been issued a lower rate effective July 1,
726 2008, due to interim rate status or agreement with the department,
727 shall be issued such lower rate effective July 1, 2008.

728 Sec. 14. Section 17b-263b of the general statutes is repealed and the
729 following is substituted in lieu thereof (*Effective July 1, 2007*):

730 The Commissioner of Social Services shall [develop and] implement
731 a two-year pilot program that shall commence on July 1, 2009, for up to
732 one hundred individuals who: (1) Are ages nineteen to twenty-one; (2)
733 reside with a parent or a relative caregiver; (3) have been diagnosed
734 with one or more mental disorders as defined in the most recent
735 edition of the American Psychiatric Association's "Diagnostic and
736 Statistical Manual of Mental Disorders"; (4) have a significant chronic
737 health condition; (5) have a substantial functional impairment as a
738 result of the mental disorder or chronic health condition; and (6) are
739 ineligible for medical assistance under the state-administered general
740 assistance program due to parent or relative caregiver income. An
741 individual who is eligible for benefits under this program, shall
742 cooperate in establishing such individual's eligibility for Medicaid
743 coverage based on disability. For purposes of this section "mental
744 disorder" shall not include mental retardation, learning disorders,

745 motor skill disorder, communication disorders, caffeine-related
746 disorders, relational problems and additional conditions that may be a
747 focus of clinical attention that are not otherwise defined as mental
748 disorders in the most recent edition of the American Psychiatric
749 Association's "Diagnostic and Statistical Manual of Mental Disorders".

750 Sec. 15. Subsection (a) of section 17b-192 of the general statutes is
751 repealed and the following is substituted in lieu thereof (*Effective July*
752 *1, 2007*):

753 (a) The Commissioner of Social Services shall implement a state
754 medical assistance component of the state-administered general
755 assistance program for persons ineligible for Medicaid. Not later than
756 October 1, 2003, each person eligible for state-administered general
757 assistance shall be entitled to receive medical care through a federally
758 qualified health center or other primary care provider as determined
759 by the commissioner. The Commissioner of Social Services shall
760 determine appropriate service areas and shall, in the commissioner's
761 discretion, contract with community health centers, other similar
762 clinics, and other primary care providers, if necessary, to assure access
763 to primary care services for recipients who live farther than a
764 reasonable distance from a federally qualified health center. The
765 commissioner shall assign and enroll eligible persons in federally
766 qualified health centers and with any other providers contracted for
767 the program because of access needs. Not later than October 1, 2003,
768 each person eligible for state-administered general assistance shall be
769 entitled to receive hospital services. Medical services under the
770 program shall be limited to the services provided by a federally
771 qualified health center, hospital, or other provider contracted for the
772 program at the commissioner's discretion because of access needs. The
773 commissioner shall ensure that ancillary services and specialty services
774 are provided by a federally qualified health center, hospital, or other
775 providers contracted for the program at the commissioner's discretion.
776 Ancillary services include, but are not limited to, radiology, laboratory,
777 and other diagnostic services not available from a recipient's assigned

778 primary-care provider, and durable medical equipment. Specialty
779 services are services provided by a physician with a specialty that are
780 not included in ancillary services. In no event shall ancillary or
781 specialty services provided under the program exceed such services
782 provided under the state-administered general assistance program on
783 July 1, 2003. Notwithstanding any provision of this section, the
784 commissioner may, when cost effective, provide or require a contractor
785 to provide home health services or skilled nursing facility coverage for
786 state-administered general assistance recipients being discharged from
787 a chronic disease hospital. Eligibility criteria concerning income shall
788 be the same as the medically needy component of the Medicaid
789 program, except that earned monthly gross income of up to one
790 hundred fifty dollars shall be disregarded. Unearned income shall not
791 be disregarded. No person who has family assets exceeding one
792 thousand dollars shall be eligible. No person eligible for Medicaid
793 shall be eligible to receive medical care through the state-administered
794 general assistance program. No person shall be eligible for assistance
795 under this section if such person made, during the three months prior
796 to the month of application, an assignment or transfer or other
797 disposition of property for less than fair market value. The number of
798 months of ineligibility due to such disposition shall be determined by
799 dividing the fair market value of such property, less any consideration
800 received in exchange for its disposition, by five hundred dollars. Such
801 period of ineligibility shall commence in the month in which the
802 person is otherwise eligible for benefits. Any assignment, transfer or
803 other disposition of property, on the part of the transferor, shall be
804 presumed to have been made for the purpose of establishing eligibility
805 for benefits or services unless such person provides convincing
806 evidence to establish that the transaction was exclusively for some
807 other purpose.

808 Sec. 16. Section 17b-197 of the general statutes is repealed and the
809 following is substituted in lieu thereof (*Effective July 1, 2007*):

810 [(a)] If a recipient of state-administered general assistance or person

811 receiving aid under both the Social Security Disability Income Program
812 and the state supplement to federal Supplemental Security Income
813 Program has been denied aid under the federal Supplemental Security
814 Income Program, or has been notified by the Social Security
815 Administration that his benefits under such program will be
816 terminated, the Commissioner of Social Services shall advise the
817 recipient [as to] of his right [of] to appeal and the availability of local
818 legal counsel. The attorney chosen by the recipient shall be reimbursed
819 [by the state for his reasonable fees, on a contingency basis, limited to
820 the amount approved by the Department of Social Services] pursuant
821 to the provisions of 42 USC 406, and limited to the amount approved
822 by the Social Security Administration [when such approval is required
823 by federal regulations for such appeals] pursuant to the provisions of
824 42 USC 406. Such attorney's fees [shall not] may be recoverable from
825 such recipient or his estate. The full amount of any interim assistance
826 reimbursement received by the state shall be applied to reduce any
827 obligation owed to the town by such recipient.

828 [(b) Those persons receiving aid under both the federal Social
829 Security Administration Disability Program and the state supplement
830 to the federal Supplemental Security Income Program, who have been
831 notified that their benefits under the federal program will be
832 terminated by the Social Security Administration, shall be eligible for
833 the payment of attorney's fees, on a contingency basis, incurred in
834 appealing such termination. The attorney chosen by the recipient shall
835 be reimbursed by the state for his reasonable fees, on a contingency
836 basis, limited to the amount approved by the Department of Social
837 Services and limited to the amount approved by the Social Security
838 Administration when such approval is required by federal regulations
839 for such appeals. Such attorney's fees shall not be recoverable from
840 such recipient or his estate.]

841 Sec. 17. Section 17b-733 of the general statutes is repealed and the
842 following is substituted in lieu thereof (*Effective July 1, 2007*):

843 The Department of Social Services shall be the lead agency for child
844 day care services in Connecticut. The department shall: (1) Identify,
845 annually, existing child day care services and maintain an inventory of
846 all available services; (2) provide technical assistance to corporations
847 and private agencies in the development and expansion of child day
848 care services for families at all income levels, including families of their
849 employees and clients; (3) study and identify funding sources available
850 for child day care including federal funds and tax benefits; (4) study
851 the cost and availability of liability insurance for child day care
852 providers; (5) provide, in conjunction with the Departments of
853 Education and Higher Education, ongoing training for child day care
854 providers including preparing videotaped workshops and distributing
855 them to cable stations for broadcast on public access stations, and seek
856 private donations to fund such training; (6) encourage child day care
857 services to obtain accreditation; (7) develop a range of financing
858 options for child care services, including the use of a tax-exempt bond
859 program, a loan guarantee program and establishing a direct revolving
860 loan program; (8) promote the colocation of child day care and school
861 readiness programs pursuant to section 4b-31; (9) establish a
862 performance-based evaluation system; (10) develop for
863 recommendation to the Governor and the General Assembly measures
864 to provide incentives for the private sector to develop and support
865 expanded child day care services; (11) provide, within available funds
866 and in conjunction with the temporary family assistance program as
867 defined in section 17b-680, child day care to public assistance
868 recipients; (12) develop and implement, with the assistance of the
869 Child Day Care Council and the Departments of Public Health, Social
870 Services, Education, Higher Education, Children and Families,
871 Economic and Community Development and Consumer Protection, a
872 state-wide coordinated child day care and early childhood education
873 training system (A) for child day care centers, group day care homes
874 and family day care homes that provide child day care services, and
875 (B) that makes available to such providers and their staff, within
876 available appropriations, scholarship assistance, career counseling and

877 training, advancement in career ladders, as defined in section 4-124bb,
878 through seamless articulation of levels of training, program
879 accreditation support and other initiatives recommended by the
880 Departments of Social Services, Education and Higher Education; (13)
881 plan and implement [a] (A) unit cost reimbursement system for state-
882 funded municipal child day care services, and (B) a unit cost
883 reimbursement system for state funded nonmunicipal child day care
884 services such that, on and after January 1, 2008, any increase in
885 reimbursement shall be based on a requirement that such centers meet
886 the staff qualifications, as defined in subsection (b) of section 10-16p;
887 (14) develop, within available funds, initiatives to increase
888 compensation paid to child day care providers for educational
889 opportunities, including, but not limited to, (A) incentives for
890 educational advancement paid to persons employed by child day care
891 centers receiving state or federal funds, and (B) support for the
892 establishment and implementation by the Labor Commissioner of
893 apprenticeship programs for child day care workers pursuant to
894 sections 31-22m to 31-22q, inclusive, which programs shall be jointly
895 administered by labor and management trustees; (15) evaluate the
896 effectiveness of any initiatives developed pursuant to subdivision (14)
897 of this section in improving staff retention rates and the quality of
898 education and care provided to children; and (16) report annually to
899 the Governor and the General Assembly on the status of child day care
900 in Connecticut. Such report shall include (A) an itemization of the
901 allocation of state and federal funds for child care programs; (B) the
902 number of children served under each program so funded; (C) the
903 number and type of such programs, providers and support personnel;
904 (D) state activities to encourage partnership between the public and
905 private sectors; (E) average payments issued by the state for both part-
906 time and full-time child care; (F) range of family income and
907 percentages served within each range by such programs; and (G) age
908 range of children served.

909 Sec. 18. Subsection (a) of section 17b-137 of the general statutes is
910 repealed and the following is substituted in lieu thereof (*Effective July*

911 1, 2007):

912 (a) (1) (A) Any person who has in his possession or control any
913 property of any person applying for or presently or formerly receiving
914 aid or care or child support enforcement services, as defined in
915 subdivision (2) of subsection (b) of section 46b-231, from the state or
916 who is indebted to such applicant or recipient or has knowledge of any
917 insurance, including health insurance or property currently or
918 formerly belonging to him, or information pertaining to eligibility for
919 such aid or care or services, and any officer who has control of the
920 books and accounts of any corporation which has possession or control
921 of any property belonging to any person applying for or receiving such
922 aid or care or services or who is indebted to him, or has knowledge of
923 any insurance, including health insurance or any person having in his
924 employ any such person, shall, upon presentation by the
925 Commissioner of Social Services, or the Commissioner of
926 Administrative Services, or the Commissioner of Public Safety, or a
927 support enforcement officer of the Superior Court, or any person
928 deputized by any of them, of a certificate, signed by him, stating that
929 such applicant, recipient or employee has applied for or is receiving or
930 has received such aid or care or services from the state, make full
931 disclosure to said commissioner, such officer or such deputy of any
932 such property, insurance, wages, indebtedness or information.
933 Notwithstanding the provisions of this subparagraph, any health
934 insurer, including a self-insured plan, group health plan, as defined in
935 Section 607(1) of the Employee Retirement Income Security Act of
936 1974, service benefit plan, managed care organization, health care
937 center, pharmacy benefit manager, dental benefit manager or other
938 party that is, by statute, contract or agreement, legally responsible for
939 payment of a claim for a health care item or service, which may or may
940 not be financially at risk for the cost of a health care item or service,
941 shall, upon request of the Commissioner of Social Services, or the
942 commissioner's designee, provide any and all information in a manner
943 and format prescribed by the commissioner, or the commissioner's
944 designee, to identify, determine or establish third-party coverage,

945 including, but not limited to, all information necessary to determine
946 during what period a person, his or her spouse or his or her
947 dependents may be, or may have been, covered by a health insurer and
948 the nature of the coverage that is or was provided by the health
949 insurer, including the name, address and identifying number of the
950 plan. Such information shall also be provided by such health insurer
951 to all third-party administrators, pharmacy benefit managers, dental
952 benefit managers or other entities with which the health insurer has an
953 arrangement to adjudicate claims for a health care item or service.

954 (B) At the request of the Commissioner of Social Services, [insurance
955 companies licensed to do business in Connecticut] any health insurer,
956 including a self-insured plan, group health plan, as defined in Section
957 607(1) of the Employee Retirement Income Security Act of 1974, service
958 benefit plan, managed care organization, health care center, pharmacy
959 benefit manager, dental benefit manager or other party that is, by
960 statute, contract or agreement, legally responsible for payment of a
961 claim for a health care item or service, which may or may not be
962 financially at risk for the cost of a health care item or service, shall be
963 required, [when compatible data elements are available,] to conduct, or
964 to allow the commissioner, or the commissioner's designee, to conduct
965 automated data matches to identify insurance coverage for recipients
966 and the parents of recipients who are minors. [Upon completion of
967 such matches the commissioner shall reimburse such companies for
968 the reasonable documented costs of conducting the matches.]

969 (2) (A) Such disclosure may be obtained in like manner of the
970 property, wages or indebtedness of any person who is either: (i) Liable
971 for the support of any such applicant or recipient, including the
972 parents of any child receiving aid or services through the Department
973 of Children and Families, or one adjudged or acknowledged to be the
974 father of an illegitimate child; or (ii) the subject of an investigation in a
975 IV-D support case, as defined in subdivision (13) of subsection (b) of
976 section 46b-231. Any company or officer who has control of the books
977 and accounts of any corporation shall make full disclosure to the IV-D

978 agency, as defined in subdivision (12) of subsection (b) of section 46b-
979 231, or to the support enforcement officer of the Superior Court of any
980 such property, wages or indebtedness in all support cases, including
981 IV-D support cases, as defined in subdivision (13) of subsection (b) of
982 section 46b-231.

983 (B) The Commissioner of Social Services, the Commissioner of
984 Administrative Services, the Commissioner of Public Safety or a
985 support enforcement officer of the Superior Court, or any person
986 deputized by any of them, may compel, by subpoena, the attendance
987 and testimony under oath of any person who refuses to disclose in
988 accordance with the provisions of this section, or of any person who is
989 either: (i) Liable for the support of any such applicant or recipient; or
990 (ii) the subject of an investigation in a IV-D support case, as defined in
991 subdivision (13) of subsection (b) of section 46b-231, who refuses to
992 disclose his own financial circumstances, and may so compel the
993 production of books and papers pertaining to such information.

994 (C) The Commissioner of Social Services may subpoena the financial
995 records of any financial institution concerning property of any person
996 applying for or presently or formerly receiving aid or care from the
997 state or who is indebted to such applicant or recipient. The
998 Commissioner of Social Services may subpoena such records of any
999 parent or parents of any child applying for or presently or formerly
1000 receiving assistance under the aid to families with dependent children
1001 program, the temporary family assistance program or the state-
1002 administered general assistance program.

1003 (D) The commissioner, or a support enforcement officer of the
1004 Superior Court, or the person deputized by the commissioner or officer
1005 shall set a time and place for any examination under this subdivision,
1006 and any person summoned who, without reasonable excuse, fails to
1007 appear and testify or to produce such books and papers shall be fined
1008 fifty dollars for each such offense.

1009 Sec. 19. (NEW) (*Effective July 1, 2007*) Any health insurer, including

1010 a self-insured plan, group health plan, as defined in Section 607(1) of
1011 the Employee Retirement Income Security Act of 1974, service benefit
1012 plan, managed care organization, health care center, pharmacy benefit
1013 manager, dental benefit manager or other party that is, by statute,
1014 contract, or agreement, legally responsible for payment of a claim for a
1015 health care item or service, and which may or may not be financially at
1016 risk for the cost of a health care item or service, shall, as a condition of
1017 doing business in the state, be required to: (1) Provide, with respect to
1018 an individual who is eligible for, or is provided, medical assistance
1019 under the Medicaid state plan, to all third-party administrators,
1020 pharmacy benefit managers, dental benefit managers or other entities
1021 with which the health insurer has a contract or arrangement to
1022 adjudicate claims for a health care item or service, and to the
1023 Commissioner of Social Services, or the commissioner's designee, any
1024 and all information in a manner and format prescribed by the
1025 commissioner, or commissioner's designee, including, but not limited
1026 to, all information necessary to determine when the individual, his or
1027 her spouse or the individual's dependents may be or have been
1028 covered by a health insurer and the nature of the coverage that is or
1029 was provided by such health insurer including the name, address and
1030 identifying number of the plan; (2) accept the state's right of recovery
1031 and the assignment to the state of any right of an individual or other
1032 entity to payment from the health insurer for an item or service for
1033 which payment has been made under the Medicaid state plan; (3)
1034 respond to any inquiry by the commissioner, or the commissioner's
1035 designee, regarding a claim for payment for any health care item or
1036 service that is submitted not later than three years after the date of the
1037 provision of the item or service; and (4) agree not to deny a claim
1038 submitted by the state solely on the basis of the date of submission of
1039 the claim, the type or format of the claim form or a failure to present
1040 proper documentation at the point-of-sale that is the basis of the claim,
1041 if (A) the claim is submitted by the state or its agent within the three-
1042 year period beginning on the date on which the item or service was
1043 furnished; and (B) any legal action by the state to enforce its rights

1044 with respect to such claim is commenced within six years of the state's
1045 submission of such claim.

1046 Sec. 20. Section 17b-265 of the general statutes is repealed and the
1047 following is substituted in lieu thereof (*Effective July 1, 2007*):

1048 (a) In accordance with 42 USC 1396k, the Department of Social
1049 Services shall be subrogated to any right of recovery or
1050 indemnification [which] that an applicant or recipient of medical
1051 assistance or any legally liable relative of such applicant or recipient
1052 has against a [private] insurer or other legally liable third party [, as
1053 defined in 42 CFR 433.136,] including, but not limited to, a self-insured
1054 plan, group health plan, as defined in Section 607(1) of the Employee
1055 Retirement Income Security Act of 1974, service benefit plan, managed
1056 care organization, health care center, pharmacy benefit manager,
1057 dental benefit manager or other party that is, by statute contract, or
1058 agreement, legally responsible for payment of a claim for a health care
1059 item or service, for the cost of all health care items or services
1060 furnished to the applicant or recipient, including, but not limited to,
1061 hospitalization, pharmaceutical services, physician services, nursing
1062 services, behavioral health services, long-term care services and other
1063 medical services, not to exceed the amount expended by the
1064 department for such care and treatment of the applicant or recipient. In
1065 the case of such a recipient who is an enrollee in a managed care
1066 organization under a Medicaid managed care contract with the state or
1067 a legally liable relative of such an enrollee, the department shall be
1068 subrogated to any right of recovery or indemnification which the
1069 enrollee or legally liable relative has against such a private insurer or
1070 other third party for the medical costs incurred by the managed care
1071 organization on behalf of an enrollee.

1072 (b) An applicant or recipient or legally liable relative, by the act of
1073 the applicant or recipient receiving medical assistance, shall be deemed
1074 to have made a subrogation assignment and an assignment of claim for
1075 benefits to the department. The department shall inform an applicant

1076 of such assignments at the time of application. Any entitlements from a
1077 contractual agreement with an applicant or recipient, legally liable
1078 relative or a state or federal program for such medical services, not to
1079 exceed the amount expended by the department, shall be so assigned.
1080 Such entitlements shall be directly reimbursable to the department by
1081 third party payors. The Department of Social Services may assign its
1082 right to subrogation or its entitlement to benefits to a designee or a
1083 health care provider participating in the Medicaid program and
1084 providing services to an applicant or recipient, in order to assist the
1085 provider in obtaining payment for such services. [A] In accordance
1086 with subsection (b) of section 38a-472, a provider that has received an
1087 assignment from the department shall notify the [private] recipient's
1088 health insurer or other legally liable third party including, but not
1089 limited to, a self-insured plan, group health plan, as defined in Section
1090 607(1) of the Employee Retirement Income Security Act of 1974, service
1091 benefit plan, managed care organization, health care center, pharmacy
1092 benefit manager, dental benefit manager or other party that is, by
1093 statute, contract or agreement, legally responsible for payment of a
1094 claim for a health care item or service, of the assignment upon
1095 rendition of services to the applicant or recipient. Failure to so notify
1096 the [private] health insurer or other legally liable third party shall
1097 render the provider ineligible for payment from the department. The
1098 provider shall notify the department of any request by the applicant or
1099 recipient or legally liable relative or representative of such applicant or
1100 recipient for billing information. This subsection shall not be construed
1101 to affect the right of an applicant or recipient to maintain an
1102 independent cause of action against such third party tortfeasor.

1103 (c) Claims for recovery or indemnification submitted by the
1104 department, or the department's designee shall not be denied solely on
1105 the basis of the date of the submission of the claim, the type or format
1106 of the claim or the failure to present proper documentation at the
1107 point-of-service that is the basis of the claim, if (1) the claim is
1108 submitted by the state within the three-year period beginning on the
1109 date on which the item or service was furnished; and (2) any action by

1110 the state to enforce its rights with respect to such claim is commenced
1111 within six years of the state's submission of the claim.

1112 [(b)] (d) When a recipient of medical assistance has personal health
1113 insurance in force covering care or other benefits provided under such
1114 program, payment or part-payment of the premium for such insurance
1115 may be made when deemed appropriate by the Commissioner of
1116 Social Services. Effective January 1, 1992, the commissioner shall limit
1117 reimbursement to medical assistance providers, except those providers
1118 whose rates are established by the Commissioner of Public Health
1119 pursuant to chapter 368d, for coinsurance and deductible payments
1120 under Title XVIII of the Social Security Act to assure that the combined
1121 Medicare and Medicaid payment to the provider shall not exceed the
1122 maximum allowable under the Medicaid program fee schedules.

1123 [(c)] (e) Notwithstanding the provisions of subsection (c) of section
1124 38a-553, no [(1) individual or group accident, health or accident and
1125 health policy or medical expense policy or medical service plan
1126 contract, delivered, issued for delivery or renewed in this state on or
1127 after July 1, 1984, or (2) self-insured or self-funded plan subject to the
1128 provisions of the Employee Retirement Income Security Act of 1974]
1129 self-insured plan, group health plan, as defined in Section 607(1) of the
1130 Employee Retirement Income Security Act of 1974, service benefit
1131 plan, managed care organization, health care center, pharmacy benefit
1132 manager, dental benefit manager or other party that is, by statute,
1133 contract or agreement, legally responsible for payment of a claim for a
1134 health care item or service, shall contain any provision [which] that has
1135 the effect of denying or limiting enrollment benefits or excluding
1136 coverage because services are rendered to an insured or beneficiary
1137 who is eligible for or who received medical assistance under this
1138 chapter. No insurer, as defined in section 38a-497a, shall impose
1139 requirements on the state Medicaid agency, which has been assigned
1140 the rights of an individual eligible for Medicaid and covered for health
1141 benefits from an insurer, that differ from requirements applicable to an
1142 agent or assignee of another individual so covered.

1143 [(d)] (f) The Commissioner of Social Services shall not pay for any
1144 services provided under this chapter if the individual eligible for
1145 medical assistance has coverage for the services under an accident or
1146 health insurance policy.

1147 Sec. 21. (NEW) (*Effective July 1, 2007*) As used in this section and
1148 section 22 of this act:

1149 (1) "Knowing" and "knowingly" mean that a person, with respect to
1150 information: (1) Has actual knowledge of the information; (2) acts in
1151 deliberate ignorance of the truth or falsity of the information; or (3)
1152 acts in reckless disregard of the truth or falsity of the information and
1153 no proof of specific intent to defraud is required;

1154 (2) "Claim" means any request or demand, whether under a contract
1155 or otherwise, for money or property that is made to a contractor,
1156 grantee or other recipient if the state provides any portion of the
1157 money or property that is requested or demanded, or if the state will
1158 reimburse such contractor, grantee or other recipient for any portion of
1159 the money or property that is requested or demanded;

1160 (3) "Person" means any natural person, corporation, limited liability
1161 company, firm, association, organization, partnership, business, trust
1162 or other legal entity;

1163 (4) "State" means the state of Connecticut, any agency or department
1164 of the state or any quasi-public agency, as defined in section 1-120 of
1165 the general statutes.

1166 Sec. 22. (NEW) (*Effective July 1, 2007*) (a) No person shall:

1167 (1) Knowingly present, or cause to be presented, to an officer or
1168 employee of the state a false or fraudulent claim for payment or
1169 approval;

1170 (2) Knowingly make, use or cause to be made or used, a false record
1171 or statement to secure the payment or approval by the state of a false

1172 or fraudulent claim;

1173 (3) Conspire to defraud the state by securing the allowance or
1174 payment of a false or fraudulent claim;

1175 (4) Have possession, custody or control of property or money used,
1176 or to be used, by the state and knowingly deliver or cause to be
1177 delivered less property than the amount for which the person receives
1178 a certificate or receipt;

1179 (5) Knowingly make or deliver a document certifying receipt of
1180 property used, or to be used, by the state without completely knowing
1181 that the information on the receipt is true;

1182 (6) Knowingly buy, or receive as a pledge of an obligation or debt,
1183 public property from an officer or employee of the state, who lawfully
1184 may not sell or pledge the property; or

1185 (7) Knowingly make, use or cause to be made or used, a false record
1186 or statement to conceal, avoid or decrease an obligation to pay or
1187 transmit money or property to the state.

1188 (b) Any person who violates the provisions of subsection (a) of this
1189 section shall be liable to the state for: (1) A civil penalty of not less than
1190 five thousand dollars and not more than ten thousand dollars, (2) three
1191 times the amount of damages which the state sustains because of the
1192 act of that person, and (3) the costs of investigation and prosecution of
1193 such violation. Liability under this section shall be joint and several for
1194 any violation of section 22 of this act committed by two or more
1195 persons.

1196 (c) Notwithstanding the provisions of subsection (b) of this section
1197 concerning treble damages, if the court finds that: (A) A person
1198 committing a violation of subsection (a) of this section furnished
1199 officials of the state responsible for investigating false claims violations
1200 with all information known to such person about the violation not later
1201 than thirty days after the date on which the person first obtained the

1202 information; (B) such person fully cooperated with an investigation by
1203 the state of such violation; and (C) at the time such person furnished
1204 the state with the information about the violation, no criminal
1205 prosecution, civil action or administrative action had commenced
1206 under sections 23 to 27, inclusive, of this act, with respect to such
1207 violation, and such person did not have actual knowledge of the
1208 existence of an investigation into such violation, the court may assess
1209 not less than two times the amount of damages which the state
1210 sustains because of the act of the person. Any information furnished
1211 pursuant to this subsection shall be exempt from disclosure under
1212 section 1-210 of the general statutes.

1213 Sec. 23. (NEW) (*Effective July 1, 2007*) The Attorney General may
1214 investigate any violation of section 22 of this act and shall have the
1215 same investigatory authority as provided to the Attorney General
1216 under section 4-61dd of the general statutes. Any information obtained
1217 pursuant to this investigation shall be exempt from disclosure under
1218 section 1-210 of the general statutes. If the Attorney General finds that
1219 a person has violated or is violating any provision of section 22 of this
1220 act, the Attorney General may bring a civil action in the superior court
1221 for the judicial district of Hartford under this section in the name of the
1222 state against such person.

1223 Sec. 24. (NEW) (*Effective July 1, 2007*) (a) A person may bring a civil
1224 action in the superior court of the judicial district of Hartford against
1225 any person who violates section 22 of this act for the person and for the
1226 state. Such civil action shall be brought in the name of the state. The
1227 action may thereafter be withdrawn only if the court and the Attorney
1228 General give written consent to the withdrawing of such action and
1229 their reasons for consenting.

1230 (b) A copy of the complaint and written disclosure of substantially
1231 all material evidence and information the person possesses shall be
1232 served on the state by serving the Attorney General in the manner
1233 prescribed in section 52-64 of the general statutes. The complaint shall

1234 be filed in camera, remain under seal for at least sixty days and shall
1235 not be served on the defendant until the court so orders. The court,
1236 upon a motion of the Attorney General may, for good cause shown,
1237 extend the time during which the complaint remains under seal. Such
1238 motion may be supported by affidavits or other submissions in
1239 camera. Prior to the expiration of the time during which the complaint
1240 remains under seal, the Attorney General shall: (1) Proceed with the
1241 action in which case the action shall be conducted by the Attorney
1242 General, or (2) notify the court that the Attorney General declines to
1243 take over the action in which case the person bringing the action shall
1244 have the right to conduct the action.

1245 (c) If the court orders that the complaint be unsealed and served, the
1246 Superior Court shall issue an appropriate order of notice requiring the
1247 same notice that is ordinarily required to commence a civil action. The
1248 defendant shall not be required to respond to any complaint filed
1249 under this section until thirty days after the complaint is served upon
1250 the defendant.

1251 (d) If a person brings an action under this section, no person other
1252 than the state may intervene or bring a related action based on the facts
1253 underlying the pending action.

1254 Sec. 25. (NEW) (*Effective July 1, 2007*) (a) If the Attorney General,
1255 pursuant to section 24 of this act, elects to proceed with the action, the
1256 Attorney General shall have the primary responsibility for prosecuting
1257 the action and shall not be bound by any act of the person bringing the
1258 action. Such person shall have the right to continue as a party to the
1259 action, subject to the limitations set forth in this section.

1260 (b) The Attorney General may withdraw such action
1261 notwithstanding the objections of the person initiating the action if the
1262 person has been notified by the Attorney General of the filing of the
1263 motion and the court has provided the person with an opportunity for
1264 a hearing on the motion.

1265 (c) The Attorney General may settle the action with the defendant
1266 notwithstanding the objections of the person initiating the action if the
1267 court determines, after a hearing, that the proposed settlement is fair,
1268 adequate and reasonable under all the circumstances. Upon a showing
1269 of good cause, such hearing may be held in camera.

1270 (d) Upon a showing by: (1) The Attorney General that unrestricted
1271 participation during the course of the litigation by the person initiating
1272 the action would (A) interfere with or unduly delay the Attorney
1273 General's prosecution of the case, or (B) be repetitious, irrelevant or for
1274 purposes of harassment; or (2) the defendant that unrestricted
1275 participation during the course of the litigation by the person initiating
1276 the action would be for purposes of harassment or would cause the
1277 defendant undue burden or unnecessary expense, the court may, in its
1278 discretion, impose limitations on the person's participation, including,
1279 but not limited to, limiting the number of witnesses that such person
1280 may call, limiting the length of the testimony of any such witnesses,
1281 limiting the person's cross-examination of any such witnesses or
1282 otherwise limiting the participation by the person in the litigation.

1283 (e) If the court awards civil penalties or damages to the state or if the
1284 Attorney General settles with the defendant and receives civil
1285 penalties or damages, the person initiating such action shall receive
1286 from the proceeds not less than fifteen per cent but not more than
1287 twenty-five per cent of such proceeds of the action or settlement of the
1288 claim, based upon the extent to which the person substantially
1289 contributed to the prosecution of the action. Any such person shall
1290 also receive an amount for reasonable expenses which the court finds
1291 to have been necessarily incurred, plus reasonable attorneys' fees and
1292 costs. All such expenses, fees and costs shall be awarded against the
1293 defendant.

1294 (f) Notwithstanding the provisions of subsection (e) of this section,
1295 where the action is one that the court finds to be based primarily on
1296 disclosures of specific information relating to allegations or

1297 transactions in a criminal, civil or administrative hearing; in a report,
1298 hearing, audit or investigation conducted by the General Assembly, a
1299 committee of the General Assembly, the Auditors of Public Accounts, a
1300 state agency or a quasi-public agency, or from the news media; the
1301 court may award from proceeds received pursuant to subsection (e) of
1302 this section, sums it considers appropriate to the person initiating the
1303 action, but in no case more than ten per cent of the proceeds, taking
1304 into account the significance of the information and the role of the
1305 person initiating the action in advancing the case to litigation. Any
1306 such person shall also receive an amount for reasonable expenses that
1307 the court finds to have been necessarily incurred, plus reasonable
1308 attorneys' fees and costs. All such expenses, fees and costs shall be
1309 awarded against the defendant.

1310 Sec. 26. (NEW) (*Effective July 1, 2007*) (a) If the Attorney General
1311 declines to proceed with the action, the person who initiated the action
1312 shall have the right to conduct the action. In the event that the
1313 Attorney General declines to proceed with the action, upon the request
1314 of the Attorney General, the court shall order that copies of all
1315 pleadings filed in the action and copies of any deposition transcripts be
1316 provided to the state. When a person proceeds with the action, the
1317 court, without limiting the status and rights of the person initiating the
1318 action, may permit the Attorney General to intervene at a later date
1319 upon a showing of good cause.

1320 (b) A person conducting an action under this section or settling the
1321 claim shall receive an amount which the court decides is reasonable for
1322 collecting the civil penalty and damages. The amount shall be not less
1323 than twenty-five per cent but not more than thirty per cent of the
1324 proceeds of the action or settlement and shall be paid out of such
1325 proceeds. Such person shall also receive an amount for reasonable
1326 expenses that the court finds to have been necessarily incurred, plus
1327 reasonable attorneys' fees and costs. All such expenses, fees and costs
1328 shall be awarded against the defendant.

1329 (c) If a defendant prevails in the action conducted under this section
1330 and the court finds that the claim of the person bringing the action was
1331 clearly frivolous, clearly vexatious or brought primarily for purposes
1332 of harassment, the court may award reasonable attorneys' fees and
1333 expenses to the defendant.

1334 (d) Irrespective of whether the Attorney General proceeds with the
1335 action, upon request and showing by the Attorney General that certain
1336 motions or requests for discovery by a person initiating the action
1337 would interfere with the state's investigation or prosecution of a
1338 criminal or civil matter arising out of the same facts, the court may stay
1339 such discovery for a period of not more than sixty-days from the date
1340 of the order of the stay. Such a showing shall be conducted in camera.
1341 The court may extend the stay for an additional sixty day period upon
1342 a further showing in camera that the state has pursued the criminal or
1343 civil investigation or proceedings with reasonable diligence and any
1344 proposed discovery in the civil action will interfere with the ongoing
1345 criminal or civil investigation or proceedings. For the purposes of this
1346 subsection, the Chief State's Attorney or state's attorney for the
1347 appropriate judicial district may appear to explain to the court the
1348 potential impact of such discovery on a pending criminal investigation
1349 or prosecution.

1350 Sec. 27. (NEW) (*Effective July 1, 2007*) Notwithstanding the
1351 provisions of section 24 of this act, the Attorney General may elect to
1352 pursue its claim through any alternate remedy available to the state,
1353 including any administrative proceeding to determine a civil money
1354 penalty. If any such alternate remedy is pursued in another
1355 proceeding, the person initiating the action shall have the same rights
1356 in such proceeding as such person would have had if the action had
1357 continued under the provisions of sections 24 to 26, inclusive, of this
1358 act. Any finding of fact or conclusion of law made in such other
1359 proceeding that has become final shall be conclusive on all parties to
1360 an action under sections 24 to 26, inclusive, of this act. A finding or
1361 conclusion is final if it has been finally determined on appeal to the

1362 appropriate court of the state, if all time for filing such an appeal with
1363 respect to the finding or conclusion has expired or if the finding or
1364 conclusion is not subject to judicial review.

1365 Sec. 28. (NEW) (*Effective July 1, 2007*) Notwithstanding the
1366 provisions of sections 25 and 26 of this act, if the court finds that the
1367 action was brought by a person who planned and initiated the
1368 violation of section 22 of this act, upon which violation an action was
1369 brought, then the court may reduce the share of the proceeds of the
1370 action that the person would otherwise receive under section 25 or 26
1371 of this act, taking into account the role of that person in advancing the
1372 case to litigation and any relevant circumstances pertaining to the
1373 violation. If a person bringing the action is convicted of criminal
1374 conduct arising from his or her role in the violation of section 22 of this
1375 act, such person shall be dismissed from the civil action and shall not
1376 receive any share of the proceeds of the action. Such dismissal shall not
1377 prejudice the right of the Attorney General to continue the action.

1378 Sec. 29. (NEW) (*Effective July 1, 2007*) No court shall have jurisdiction
1379 over an action brought under section 24 of this act, (1) against a
1380 member of the General Assembly, a member of the judiciary or an
1381 elected officer or department head of the state if the action is based on
1382 evidence or information known to the state when the action was
1383 brought; (2) that is based upon allegations or transactions that are the
1384 subject of a civil suit or an administrative civil money penalty
1385 proceeding in which the state of Connecticut is already a party; or (3)
1386 that is based upon the public disclosure of allegations or transactions
1387 in a criminal, civil or administrative hearing; in a report, hearing, audit
1388 or investigation, conducted by the General Assembly, a committee of
1389 the General Assembly, the Auditors of Public Accounts, a state agency
1390 or a quasi-public agency, or from the news media, unless such action is
1391 brought by the Attorney General or the person bringing the action is
1392 an original source of the information. For purposes of this section,
1393 "original source" means an individual who has direct and independent
1394 knowledge of the information on which the allegations are based and

1395 has voluntarily provided the information to the state before filing an
1396 action under this section based on such information.

1397 Sec. 30. (NEW) (*Effective July 1, 2007*) The state of Connecticut shall
1398 not be liable for expenses which a person incurs in bringing an action
1399 under sections 24 to 27, inclusive, of this act.

1400 Sec. 31. (NEW) (*Effective July 1, 2007*) Any employee who is
1401 discharged, demoted, suspended, threatened, harassed or in any other
1402 manner discriminated against in the terms and conditions of
1403 employment by his or her employer because of lawful acts done by the
1404 employee on behalf of the employee or others in furtherance of an
1405 action under sections 23 to 27, inclusive, of this act, including
1406 investigation for, initiation of, testimony for or assistance in an action
1407 filed or to be filed under sections 23 to 27, inclusive, of this act, shall be
1408 entitled to all relief necessary to make the employee whole. Such relief
1409 shall include reinstatement with the same seniority status such
1410 employee would have had but for the discrimination, two times the
1411 amount of any back pay, interest on any back pay and compensation
1412 for any special damages sustained as a result of the discrimination,
1413 including litigation costs and reasonable attorneys' fees. An employee
1414 may bring an action in the Superior Court for the relief provided in
1415 this section.

1416 Sec. 32. (NEW) (*Effective July 1, 2007*) A civil action under sections 23
1417 to 27, inclusive, of this act may not be brought: (1) More than six years
1418 after the date on which the violation of section 22 of this act is
1419 committed, or (2) more than three years after the date when facts
1420 material to the right of action are known or reasonably should have
1421 been known by the official of the state charged with responsibility to
1422 act in the circumstances, but in no event more than ten years after the
1423 date on which the violation is committed, whichever last occurs.

1424 Sec. 33. (NEW) (*Effective July 1, 2007*) In any action brought under
1425 sections 23 to 27, inclusive, of this act, the Attorney General or the
1426 person initiating such action shall be required to prove all essential

1427 elements of the cause of action, including damages, by a
1428 preponderance of the evidence.

1429 Sec. 34. (NEW) (*Effective July 1, 2007*) Notwithstanding any other
1430 provision of law, a final judgment rendered in favor of the state
1431 against a defendant in any criminal proceeding charging fraud or false
1432 statements, whether upon a verdict after trial or upon a plea of guilty
1433 or nolo contendere, shall estop such defendant from denying the
1434 essential elements of the offense in any action which involves the same
1435 transaction as in the criminal proceeding and which is brought in
1436 accordance with the provisions of sections 23 to 27, inclusive, of this
1437 act.

1438 Sec. 35. (NEW) (*Effective July 1, 2007*) (a) The provisions of sections
1439 21 to 35, inclusive, of this act are not exclusive, and the remedies
1440 provided for shall be in addition to any other remedies provided for in
1441 any other provision of the general statutes or federal law or available
1442 under common law.

1443 (b) The provisions of sections 21 to 35, inclusive, of this act shall be
1444 liberally construed and applied to promote the public interest.

1445 Sec. 36. Subsection (a) of section 4-61dd of the general statutes is
1446 repealed and the following is substituted in lieu thereof (*Effective July*
1447 *1, 2007*):

1448 (a) Any person having knowledge of any matter involving
1449 corruption, unethical practices, violation of state laws or regulations,
1450 mismanagement, gross waste of funds, abuse of authority or danger to
1451 the public safety occurring in any state department or agency or any
1452 quasi-public agency, as defined in section 1-120, or any person having
1453 knowledge of any matter involving corruption, violation of state or
1454 federal laws or regulations, gross waste of funds, abuse of authority or
1455 danger to the public safety occurring in any large state contract, may
1456 transmit all facts and information in such person's possession
1457 concerning such matter to the Auditors of Public Accounts. The

1458 Auditors of Public Accounts shall review such matter and report their
1459 findings and any recommendations to the Attorney General. Upon
1460 receiving such a report, the Attorney General shall make such
1461 investigation as the Attorney General deems proper regarding such
1462 report and any other information that may be reasonably derived from
1463 such report. Prior to conducting an investigation of any information
1464 that may be reasonably derived from such report, the Attorney
1465 General shall consult with the Auditors of Public Accounts concerning
1466 the relationship of such additional information to the report that has
1467 been issued pursuant to this subsection. Any such subsequent
1468 investigation deemed appropriate by the Attorney General shall only
1469 be conducted with the concurrence and assistance of the Auditors of
1470 Public Accounts. At the request of the Attorney General or on their
1471 own initiative, the auditors shall assist in the investigation. The
1472 Attorney General shall have power to summon witnesses, require the
1473 production of any necessary books, papers or other documents and
1474 administer oaths to witnesses, where necessary, for the purpose of an
1475 investigation pursuant to this section or for the purpose of
1476 investigating a suspected violation of section 22 of this act. Upon the
1477 conclusion of the investigation, the Attorney General shall where
1478 necessary, report any findings to the Governor, or in matters involving
1479 criminal activity, to the Chief State's Attorney. In addition to the
1480 exempt records provision of section 1-210, the Auditors of Public
1481 Accounts and the Attorney General shall not, after receipt of any
1482 information from a person under the provisions of this section or
1483 sections 23 to 27, inclusive, of this act, disclose the identity of such
1484 person without such person's consent unless the Auditors of Public
1485 Accounts or the Attorney General determines that such disclosure is
1486 unavoidable, and may withhold records of such investigation, during
1487 the pendency of the investigation.

1488 Sec. 37. Subdivision (13) of subsection (b) of section 1-210 of the
1489 general statutes is repealed and the following is substituted in lieu
1490 thereof (*Effective July 1, 2007*):

1491 (13) Records of an investigation or the name of an employee
 1492 providing information under the provisions of section 4-61dd and
 1493 sections 23 to 27, inclusive, of this act.

1494 Sec. 38. (NEW) (*Effective from passage*) No pharmacy shall claim
 1495 payment from the Department of Social Services under a medical
 1496 assistance program administered by the department or the Medicare
 1497 Part D Supplemental Needs Fund, established pursuant to section 17b-
 1498 265e of the general statutes, for prescription drugs dispensed to
 1499 individuals who have other prescription drug insurance coverage
 1500 unless such coverage has been exhausted and the individual is
 1501 otherwise eligible for such a medical assistance program or assistance
 1502 from the Medicare Part D Supplemental Needs Fund. The department
 1503 shall recoup from the submitting pharmacy any claims submitted to
 1504 and paid by the department when other insurance coverage is
 1505 available. The department shall investigate a pharmacy that
 1506 consistently submits ineligible claims for payment to determine
 1507 whether the pharmacy is in violation of its medical assistance provider
 1508 agreement or is committing fraud or abuse in the program and based
 1509 on the findings of such investigation, may take action against such
 1510 pharmacy, in accordance with state and federal law.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2007</i>	17b-321(a) and (b)
Sec. 2	<i>July 1, 2007</i>	17b-104(b)
Sec. 3	<i>July 1, 2007</i>	17b-106(a)
Sec. 4	<i>July 1, 2007</i>	New section
Sec. 5	<i>July 1, 2007</i>	17b-265e
Sec. 6	<i>July 1, 2007</i>	19a-495a
Sec. 7	<i>July 1, 2007</i>	17b-369
Sec. 8	<i>July 1, 2007</i>	17b-285
Sec. 9	<i>July 1, 2007</i>	New section
Sec. 10	<i>July 1, 2007</i>	17b-340(f)(4)
Sec. 11	<i>July 1, 2007</i>	17b-340(g)
Sec. 12	<i>July 1, 2007</i>	17b-340(h)(1)

Sec. 13	<i>July 1, 2007</i>	17b-244(a)
Sec. 14	<i>July 1, 2007</i>	17b-263b
Sec. 15	<i>July 1, 2007</i>	17b-192(a)
Sec. 16	<i>July 1, 2007</i>	17b-197
Sec. 17	<i>July 1, 2007</i>	17b-733
Sec. 18	<i>July 1, 2007</i>	17b-137(a)
Sec. 19	<i>July 1, 2007</i>	New section
Sec. 20	<i>July 1, 2007</i>	17b-265
Sec. 21	<i>July 1, 2007</i>	New section
Sec. 22	<i>July 1, 2007</i>	New section
Sec. 23	<i>July 1, 2007</i>	New section
Sec. 24	<i>July 1, 2007</i>	New section
Sec. 25	<i>July 1, 2007</i>	New section
Sec. 26	<i>July 1, 2007</i>	New section
Sec. 27	<i>July 1, 2007</i>	New section
Sec. 28	<i>July 1, 2007</i>	New section
Sec. 29	<i>July 1, 2007</i>	New section
Sec. 30	<i>July 1, 2007</i>	New section
Sec. 31	<i>July 1, 2007</i>	New section
Sec. 32	<i>July 1, 2007</i>	New section
Sec. 33	<i>July 1, 2007</i>	New section
Sec. 34	<i>July 1, 2007</i>	New section
Sec. 35	<i>July 1, 2007</i>	New section
Sec. 36	<i>July 1, 2007</i>	4-61dd(a)
Sec. 37	<i>July 1, 2007</i>	1-210(b)(13)
Sec. 38	<i>from passage</i>	New section

Statement of Purpose:

To implement the Governor's budget recommendations.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]