



Substitute House Bill No. 6612

Public Act No. 11-238

**AN ACT CONCERNING RECOMMENDATIONS FROM THE
COMMISSION ON NONPROFIT HEALTH AND HUMAN SERVICES
RELATING TO PURCHASE OF SERVICE CONTRACTS.**

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

Section 1. Section 4-70b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2011*):

(a) For purposes of this section:

(1) "Purchase of service contract" (A) means a contract between a state agency and a private provider organization or municipality for the purpose of obtaining direct health and human services for agency clients and generally not for administrative or clerical services, material goods, training or consulting services, and (B) does not include a contract with an individual;

(2) "Secretary" means the Secretary of the Office of Policy and Management;

(3) "State agency" means any department, board, council, commission, institution or other executive branch agency of state government;

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(4) "Municipality" means a town or any other political subdivision of the state, including any local or regional board of education or health district that is created or designated by the town to act on behalf of the town; and

(5) "Private provider organization" means a nonstate entity that is either a nonprofit or proprietary corporation or partnership which receives funds from the state, and may receive federal or other funds, to provide direct health or human services to agency clients.

(b) The Secretary of the Office of Policy and Management shall establish an Office of Finance under the direction of an executive financial officer. The secretary shall assist the Governor in his duties respecting the formulation of the budget and the correlating and revising of estimates and requests for appropriations of all budgeted agencies and shall also assist the Governor in his duties respecting the investigation, supervision and coordination of the expenditures and other fiscal operations of such budgeted agencies.

(c) Said secretary shall direct internal management consultant services to state agencies in such areas as administrative management, facility planning and review, management systems and program evaluation and such other special studies and analyses as he deems necessary. The secretary shall annually report, in accordance with the provisions of section 11-4a, to the General Assembly concerning the state's purchase of service contracting activity. Such report shall include, but not be limited to, an assessment of the aggregate financial condition of nonprofit, community-based health and human services agencies that enter into purchase of service contracts.

(d) The secretary shall establish uniform policies and procedures for obtaining, managing and evaluating the quality and cost effectiveness of direct health and human services purchased from a private provider organization or municipality. The secretary shall require all state

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agencies which purchase direct health and human services to comply with such policies and procedures.

(e) Purchase of service contracts shall be subject to the competitive procurement provisions of sections 4-212 to 4-219, inclusive. The secretary may waive the competitive procurement requirements set forth in chapter 55a with respect to any purchase of service contract between a state agency and a private provider of human services.

[(f) In order to ensure continuity of care in the delivery of health and human services, on or before January 1, 2008, the secretary shall, in consultation with the Connecticut Nonprofit Human Services Cabinet and representatives of state agencies which provide health and human services, develop a plan for the competitive procurement of such services. On or before February 1, 2008, the secretary shall submit such plan to the joint standing committees of the General Assembly having cognizance of matters relating to human services and public health. In developing the plan the secretary shall give consideration to the following factors: (1) The current market rate for the services provided, (2) whether services provided by a new private provider assure the health, safety and well-being of service recipients, (3) whether services provided by a new private provider assure that community-based services are conveniently located and readily accessible for service recipients, (4) whether selection of a new private provider can avoid unnecessary challenges of local zoning law, and (5) whether selection of a new private provider can avoid creating a conflict with the current service provider's existing bonding contracts or placing the current service provider at risk for losing bonding investment. The secretary may implement such plan on or after July 1, 2008.]

[(g)] (f) No state agency may hire a private provider organization or municipality to provide direct health or human services to agency clients without executing a purchase of service contract with such private provider organization or municipality.

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Sec. 2. (*Effective July 1, 2011*) (a) The Secretary of the Office of Policy and Management shall, in consultation with the Nonprofit Liaison to the Governor and representatives of nonprofit, community-based providers of health and human services, shall, within available appropriations, conduct a study of the feasibility of establishing a state-wide data warehouse for the storage of public and private health and human services data to enable each state agency to track data trends, operate more efficiently and make recommendations for policy changes.

(b) Not later than January 1, 2012, the Secretary of the Office of Policy and Management shall report, in accordance with the provisions of section 11-4a of the general statutes, on the study conducted pursuant to subsection (a) of this section to the joint standing committees of the General Assembly having cognizance of matters relating to human services and government administration and elections.