



General Assembly

**Amendment**

January Session, 2011

LCO No. 8209

**\*HB0661208209HDO\***

Offered by:

REP. TERCYAK, 26<sup>th</sup> Dist.  
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To: Subst. House Bill No. 6612

File No. 809

Cal. No. 277

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

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1 Strike everything after the enacting clause and substitute the  
2 following in lieu thereof:

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 Section 4-70b of the general statutes is repealed and the  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

5 (a) For purposes of this section:

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

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

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

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

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

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

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

43 (d) The secretary shall establish uniform policies and procedures for  
44 obtaining, managing and evaluating the quality and cost effectiveness  
45 of direct health and human services purchased from a private provider  
46 organization or municipality. The secretary shall require all state  
47 agencies which purchase direct health and human services to comply  
48 with such policies and procedures.

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

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

74 [(g)] (f) No state agency may hire a private provider organization or  
75 municipality to provide direct health or human services to agency

76 clients without executing a purchase of service contract with such  
77 private provider organization or municipality.

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

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

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2011</i>	4-70b
Sec. 2	<i>July 1, 2011</i>	New section