



House of Representatives

General Assembly

File No. 626

January Session, 2013

Substitute House Bill No. 5898

House of Representatives, April 24, 2013

The Committee on Government Administration and Elections reported through REP. JUTILA of the 37th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE COMMISSION ON ENHANCING AGENCY OUTCOMES.

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

1 Section 1. (*Effective from passage*) (a) The Commissioner of
2 Developmental Services, or the commissioner's designee, shall lead a
3 working group that shall develop a plan to deinstitutionalize the
4 residents of Southbury Training School. Such working group shall
5 include the Secretary of the Office of Policy and Management, or the
6 secretary's designee and four persons selected by the commissioner,
7 each of whom shall represent one of the following: (1) The residents of
8 the school, (2) state employees who work at the school or a union
9 representing such employees, (3) an advocacy group for the residents,
10 and (4) a private provider of services needed by such residents. The
11 plan to deinstitutionalize the residents of the school shall consider the
12 feasibility to safely move the residents into new settings in the
13 community. The group shall consider the following: (A) The
14 relationships built between the residents and the staff, and (B) whether

15 it is appropriate for state employees to continue to deliver services to
16 the residents or whether private providers should deliver such
17 services, or both. Any recommendations contained in the plan shall be
18 developed using a cost-benefit analysis that considers both financial
19 costs as well as quality of care issues.

20 (b) Not later than six months after the effective date of this section,
21 the Commissioner of Developmental Services shall submit the plan to
22 deinstitutionalize the residents of Southbury Training School
23 developed under subsection (a) of this section, in accordance with the
24 provisions of section 11-4a of the general statutes, to the joint standing
25 committee of the General Assembly having cognizance of matters
26 relating to government administration and to the Governor.

27 *Sec. 2. (Effective from passage)* (a) The Commissioner of Children and
28 Families, or the commissioner's designee, shall lead a working group
29 that shall develop a plan to deinstitutionalize the patients of the Albert
30 J. Solnit Children's Center-South Campus. Such working group shall
31 include the Secretary of the Office of Policy and Management, or the
32 secretary's designee, the Commissioners of Mental Health and
33 Addiction Services and Public Health, or the commissioners' designees,
34 the Child Advocate and four persons selected by the Commissioner of
35 Children and Families, each of whom shall represent one of the
36 following: (1) The patients of the center, (2) state employees who work
37 at the center or a union representing such employees, (3) an advocacy
38 group for the patients, and (4) a private provider of services needed by
39 such patients. The group shall consider the following: (A) The quality
40 of care provided to the patients, (B) the promotion of home and
41 community-based care, (C) whether it is appropriate for state
42 employees to continue to deliver services to the patients or whether
43 private providers should deliver such services, or both, (D) the
44 possibility of downsizing staff without compromising the quality of
45 care, and (E) alternative prevention and intervention treatment
46 programs that could result in an avoidance of inpatient care. Any
47 recommendations contained in the plan shall be developed using a
48 cost-benefit analysis that considers both financial costs as well as

49 quality of care issues.

50 (b) Not later than six months after the effective date of this section,
51 the Commissioner of Children and Families shall submit the plan to
52 deinstitutionalize the patients of the Albert J. Solnit Children's Center-
53 South Campus developed under subsection (a) of this section, in
54 accordance with the provisions of section 11-4a of the general statutes,
55 to the joint standing committee of the General Assembly having
56 cognizance of matters relating to government administration and to
57 the Governor.

58 Sec. 3. (*Effective from passage*) (a) Not later than three months after
59 the effective date of this section, the Secretary of the Office of Policy
60 and Management shall (1) develop and implement a plan to reduce the
61 manager and supervisor-to-employee ratio for agencies in the
62 executive branch to not more than one manager or supervisor for
63 every ten employees, and (2) submit such plan, in accordance with the
64 provisions of section 11-4a of the general statutes, to the joint standing
65 committee of the General Assembly having cognizance of matters
66 relating to government administration and to the Governor. The plan
67 shall ensure that such ratio is achieved as a bottom-line number spread
68 across all such agencies not later than nine months after the date of the
69 completion of the plan.

70 (b) Not later than nine months after the submission of such plan
71 under subsection (a) of this section, any executive branch agency that
72 fails to comply with any goal established for such agency in such plan
73 shall report the agency's reasons for lack of compliance, in accordance
74 with the provisions of section 11-4a of the general statutes, to the
75 Secretary of the Office of Policy and Management, the joint standing
76 committee of the General Assembly having cognizance of matters
77 relating to government administration and to the Governor.

78 (c) As used in this section, "executive branch agency" includes each
79 "budgeted agency", as defined in subparagraph (A) of subdivision (11)
80 of section 4-69 of the general statutes, except the offices of the Attorney
81 General, the State Treasurer, the State Comptroller and the Secretary of

82 the State.

83 Sec. 4. Section 3-119a of the general statutes is repealed and the
84 following is substituted in lieu thereof (*Effective from passage*):

85 (a) The Comptroller shall develop, implement and maintain a
86 comprehensive retirement data base system and shall regularly consult
87 and inform the State Employees Retirement Commission concerning
88 the system.

89 (b) The Comptroller, in conjunction with the Commissioner of
90 Administrative Services, shall develop, implement and maintain a
91 state-wide time and attendance system. The system shall be integrated
92 with the central payroll system and compatible with the development
93 of the comprehensive retirement data base system.

94 (c) On or before July 1, 2014, each state agency shall implement and
95 maintain its employee time and attendance system in an electronic
96 format that is compatible with the state-wide time and attendance
97 system developed pursuant to subsection (b) of this section.

98 Sec. 5. (NEW) (*Effective from passage*) The state shall furnish a record
99 of hours worked and gross earnings as described in section 31-13a of
100 the general statutes, as amended by this act, in electronic format, to
101 each state employee, unless the employee requests to receive such
102 record in writing.

103 Sec. 6. Section 31-13a of the general statutes is repealed and the
104 following is substituted in lieu thereof (*Effective from passage*):

105 [With] Except as provided in section 5 of this act, with each wage
106 payment each employer shall furnish to each employee in writing a
107 record of hours worked, the gross earnings showing straight time and
108 overtime as separate entries, itemized deductions and net earnings,
109 except that the furnishing of a record of hours worked and the
110 separation of straight time and overtime earnings shall not apply in the
111 case of any employee with respect to whom the employer is
112 specifically exempt from the keeping of time records and the payment

113 of overtime under the Connecticut Minimum Wage Act or the Fair
114 Labor Standards Act.

115 Sec. 7. Section 1 of public act 09-206, as amended by section 28 of
116 public act 09-232, is repealed and the following is substituted in lieu
117 thereof (*Effective from passage*):

118 (a) The Commissioners of Social Services and Administrative
119 Services and the Comptroller, in consultation with the Commissioner
120 of Public Health, shall develop a plan to (1) implement and maintain a
121 prescription drug purchasing program and procedures to aggregate or
122 negotiate the purchase of pharmaceuticals for pharmaceutical
123 programs benefiting state-administered general assistance, HUSKY
124 Plan, Part B, Charter Oak Health Plan and ConnPACE recipients,
125 inmates of the Department of Correction, and persons eligible for
126 coverage under the group hospitalization and medical and surgical
127 insurance plans procured under section 5-259 of the general statutes,
128 and (2) have the state join an existing multistate Medicaid
129 pharmaceutical purchasing pool. Such plan shall determine the
130 feasibility of subjecting some or all of the component programs set
131 forth in subdivision (1) of this subsection to the preferred drug lists
132 adopted pursuant to section 17b-274d of the general statutes.

133 (b) The Commissioner of Social Services shall submit the plan
134 authorized by subsection (a) of this section, including (1) a timetable
135 for its implementation, (2) anticipated costs or savings resulting from
136 its implementation and maintenance, (3) a timetable for achievement of
137 any such savings, and (4) proposed legislative recommendations
138 necessary to implement such plan to the joint standing committees of
139 the General Assembly having cognizance of matters relating to
140 government administration, public health and human services, not
141 later than [December 31, 2009] ninety days after the effective date of
142 this section, in accordance with the provisions of section 11-4a of the
143 general statutes. The commissioner shall submit to the Centers for
144 Medicare and Medicaid Services any proposed Medicaid state plan
145 amendment that may be required to implement the provisions of such

146 plan.

147 Sec. 8. (NEW) (*Effective from passage*) (a) All state agencies shall use
148 modern procurement practices in their routine purchasing in order to
149 achieve a ten per cent reduction in the cost of contracting for the state.
150 Such practices shall include, but not be limited to, reverse auctions as
151 described in section 4a-60b of the general statutes, job-order
152 contracting, on-line submission of bids, membership in purchasing
153 cooperatives, as described in section 4a-53 of the general statutes,
154 performance-based contracting and contingency contracting.

155 (b) The Department of Administrative Services shall establish
156 guidelines concerning such modern procurement practices for state
157 agencies and shall post such guidelines on the Internet web site of the
158 department.

159 (c) For the purposes of this section, (1) "job-order contracting" means
160 a method of contracting where the competitively bid contract uses a set
161 of customized, prepriced, common construction tasks contained in a
162 catalog and sets parameters such as the types of work that can be done,
163 location of the work, design criteria and maximum amount of work to
164 be awarded; (2) "performance-based contracting" means a method of
165 contracting where the state agency states the result it wants achieved
166 and allows contractors to make bids detailing their proposed solutions
167 or methods of achieving the result and where the state agency is
168 charged with developing clear ways to measure the result as well as
169 the contractors' performance over the course of the contract; and (3)
170 "contingency contracting" means a method of contracting where the
171 contractor is paid a percentage of the savings or revenue collected by
172 the state agency that is attributable to the contract.

173 Sec. 9. (*Effective from passage*) Not later than ninety days after the
174 effective date of this section, the Commissioner of Social Services shall
175 submit a report, in accordance with the provisions of section 11-4a of
176 the general statutes, to the joint standing committee of the General
177 Assembly having cognizance of matters relating to government
178 administration concerning the return of unused prescription drugs by

179 long-term care facilities to vendor pharmacies in accordance with
180 section 17b-363a of the general statutes. Such report shall include, but
181 not be limited to: (1) The name of each long-term care facility that the
182 commissioner has notified of a failure to comply with the provisions of
183 section 17b-363a of the general statutes and the amount of each penalty
184 assessed by the commissioner pursuant to subsection (f) of section 17b-
185 363a of the general statutes; (2) the total number of long-term care
186 facilities that the commissioner has reason to suspect have failed to
187 comply with the provisions of section 17b-363a of the general statutes
188 and the reasons that a long-term care facility may have failed to
189 comply with such provisions; (3) a description of efforts made by the
190 commissioner to increase compliance with the provisions of section
191 17b-363a of the general statutes; and (4) recommendations for
192 increasing compliance with section 17b-363a of the general statutes.

193 Sec. 10. (NEW) (*Effective from passage*) Not later than ninety days
194 after the effective date of this section, the Commissioner of Social
195 Services shall develop and implement a plan to (1) increase by not less
196 than five per cent the usage of generic substitute prescription drug
197 products by recipients of benefits under the state's medical assistance
198 programs, and (2) lower the amount the state pays for generic
199 substitute prescription drug products for recipients of benefits under
200 the state's medical assistance programs to an amount not more than
201 the national average paid by states for generic substitute prescription
202 drug products under the Medicaid program. Such plan shall include,
203 but not be limited to, a description of policy changes to be
204 implemented that will reduce the number of brand name drugs for
205 which prior authorization is granted by the Department of Social
206 Services or an independent pharmacy consultant acting on behalf of
207 the department. Not later than September 1, 2013, the commissioner
208 shall submit such plan to the joint standing committee of the General
209 Assembly having cognizance of matters relating to government
210 administration in accordance with the provisions of section 11-4a of
211 the general statutes.

212 Sec. 11. (*Effective from passage*) The Department of Social Services'

213 pharmacy program personnel shall direct the drug utilization review
214 board to study (1) the average number of drug prescriptions issued,
215 annually, to each recipient of benefits under the state's medical
216 assistance programs, (2) the reasons for the high number of such drug
217 prescriptions, as compared with the number of such drug prescriptions
218 issued in other states, and (3) recommendations concerning the
219 issuance of such drug prescriptions. Not later than ninety days after
220 the effective date of this section, the Commissioner of Social Services
221 shall report, in accordance with the provisions of section 11-4a of the
222 general statutes, to the joint standing committee of the General
223 Assembly having cognizance of matters relating to government
224 administration concerning the findings of the drug utilization review
225 board.

226 Sec. 12. (*Effective July 1, 2013*) The Department of Revenue Services
227 shall increase the number of auditors and collection and enforcement
228 personnel employed by the department from the number employed by
229 the department on June 30, 2013.

230 Sec. 13. (*Effective from passage*) (a) For the purposes of this section,
231 "lean techniques" means a method of improving administrative
232 processes that (1) is based upon a focus on a customer service
233 perspective that seeks to optimize value delivered to the public, (2)
234 involves employees, the regulated community and the public in
235 continual improvements and the finding of solutions, (3) uses a
236 continual improvement framework that emphasizes rapid
237 implementation rather than lengthy planning, (4) seeks to reduce the
238 complexity of the process, and (5) uses metrics and visual controls to
239 improve decision-making and problem solving.

240 (b) There is established the Lean Government Steering Committee to
241 develop a plan to implement lean techniques in state agencies. The
242 committee shall consist of the Secretary of the Office of Policy and
243 Management, or the secretary's designee, and five members of the
244 business community appointed by the Governor, who have experience
245 with lean techniques as follows: One member from the banking

246 industry, one member from the service sector, one member from the
247 manufacturing sector, one member from the health care industry and
248 one member from a collective bargaining unit. A representative from
249 the Connecticut Center for Advanced Technology shall be a nonvoting
250 member of said committee.

251 (c) All appointments to the committee shall be made not later than
252 thirty days after the effective date of this section. Any vacancy shall be
253 filled by the appointing authority.

254 (d) The Secretary of the Office of Policy and Management, or a
255 designee, shall serve as the chairperson of the committee. Such
256 chairperson shall schedule the first meeting of the committee, which
257 shall be held not later than thirty days after the effective date of this
258 section.

259 (e) The Connecticut Center for Advanced Technology shall assist
260 said committee to develop a plan for the implementation of lean
261 techniques in state agencies, including, but not limited to, which
262 agencies should implement lean techniques first, which processes
263 should be made more efficient, a method for such implementation and
264 the goals of such implementation.

265 (f) Not later than sixty days after the effective date of this section,
266 the committee shall submit a report on its findings and
267 recommendations to the Governor, the speaker of the House of
268 Representatives, the president pro tempore of the Senate and the joint
269 standing committee of the General Assembly having cognizance of
270 matters relating to government administration, in accordance with the
271 provisions of section 11-4a of the general statutes.

272 Sec. 14. (*Effective from passage*) Not later than ninety days after the
273 effective date of this section, the Commissioner of Social Services shall
274 apply for a Medicaid waiver, pursuant to Section 1915(c) of the Social
275 Security Act, in order to provide home and community-based services
276 for elderly and disabled persons receiving benefits under the Medicaid
277 program. The commissioner shall take such action as is necessary to

278 consolidate all Medicaid waivers under which home and community-
 279 based services are provided to elderly and disabled persons, as
 280 permitted by federal law.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>from passage</i>	3-119a
Sec. 5	<i>from passage</i>	New section
Sec. 6	<i>from passage</i>	31-13a
Sec. 7	<i>from passage</i>	PA 09-206Section 1
Sec. 8	<i>from passage</i>	New section
Sec. 9	<i>from passage</i>	New section
Sec. 10	<i>from passage</i>	New section
Sec. 11	<i>from passage</i>	New section
Sec. 12	<i>July 1, 2013</i>	New section
Sec. 13	<i>from passage</i>	New section
Sec. 14	<i>from passage</i>	New section

Statement of Legislative Commissioners:

In section 2 "Riverview Hospital for Children and Youth" was changed to "the Albert J. Solnit Children's Center-South Campus" for accuracy and section 13(b) was reworded for clarity.

GAE *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: See Below

Municipal Impact: None

Explanation

Section 1, which requires the Department of Developmental Services to lead a working group to develop a plan to deinstitutionalize the residents of Southbury Training School, does not result in a fiscal impact to the agency.

Section 2, which requires the Department of Children and Families to lead a working group to develop a plan to deinstitutionalize the patients of the Albert J. Solnit Children's Center – South Campus, does not result in a fiscal impact to the agency nor to required group members (the Office of Policy and Management and the Departments of Mental Health and Addiction Services and Public Health).

Section 3 of the bill requires the Secretary of the Office of Policy Management (OPM) to develop a plan to reduce executive branch agency (excluding constitutional offices) management-to-employee ratios to no more than one manager or supervisor to ten employees within three months of the bill's passage. Agencies will have until FY 15 to achieve the ratios based on the plan presented. Development of the reduced management plan will not result in a fiscal impact to OPM. It is estimated that there are 103,901 positions in the executive branch agencies across all funds. Of that, 4,222 are manager and supervisor positions in the executive branch agencies with annual salaries of approximately \$396 million. Implementing the one to ten ratio would reduce the number of manager and supervisor positions to

2,935 with annual salaries of approximately \$275 million. This results in a difference of 1,287 positions and approximately \$121 million in annual salaries. The fringe benefit savings associated with the 1,287 positions is estimated to be \$20.4 million.¹ This reflects social security and health insurance savings, offset by unemployment compensation costs. Pension-related savings for the identified personnel changes will be recognized in the state's annual required pension contribution as of FY 16 once the next scheduled actuarial valuation is completed as of June 30, 2014.

Sections 4 through 6 require each state agency, by July 1, 2014, to implement and maintain its employee time and attendance system electronically in a format that is compatible with the state-wide system. It also requires the state to provide records of hours worked and gross earnings to its employees electronically with printed records provided only upon request. These provisions are not anticipated to result in a fiscal impact as the statewide accounting system, CoreCT, and other agency accounting systems currently have this capability.

Section 7 requires the Department of Social Services (DSS) to submit a plan to various committees of the legislature regarding joint procurement of prescription drugs and submit a state plan amendment if required to implement any provisions of the plan. The fiscal impact will depend on what is implemented by DSS.

Section 8 of the bill requires all state agencies to use modern procurement practices in routine purchasing in order to achieve a 10% reduction in state contracting costs. All state agencies accounted for \$553 million (all funds) in routine purchasing during FY 12. Based on these spending levels, a 10% reduction would result in savings of \$55.3 million. It is uncertain that the use of modern procurement practices would result in a 10% reduction in state contracting costs.

¹ Salary and fringe savings may be less to the extent that the following may happen: 1) employees transition straight to retirement, 2) current managers are reconstituted in a non-managerial position, and 3) the agency is granted an exception by the GAE Committee.

Section 9 does not result in a fiscal impact as it requires DSS to submit a plan to the GAE Committee on the effectiveness of the nursing home drug rebate program.

Section 10 requires DSS to develop and implement a plan to 1) increase generic prescription dispensing by 5% and 2) lower the amount the state pays for generics to not more than the national Medicaid average for generics. If DSS increases its generic dispensing by 5% there will be an annual savings to the state of approximately \$27.3 million and a corresponding revenue loss of approximately \$13.7 million. There may be additional savings to DSS to the extent that their current net cost of generic prescriptions is more than the national Medicaid average, which is indeterminate.

Section 11 does not result in a fiscal impact as it requires DSS and the Drug Utilization Review Board to study and report on DSS prescribing data in comparison with other states and make recommendations.

Section 12 requires the Department of Revenue Services (DRS) to increase the number of auditors and collection and enforcement staff beyond the number employed on June 30, 2013. This results in a cost and a potential revenue gain beginning in FY 14.

There are currently 322 employees working in the DRS Compliance Bureau. It is unclear how many employees would be hired under the bill. For illustrative purposes, a single Revenue Examiner I position costs \$81,522 per year (\$60,593 for salary and \$20,929 for fringe benefits).

To the extent additional staff results in higher identification and collection rates of delinquent revenues, there is an associated General Fund revenue gain.

Section 13 establishes a LEAN Government Steering Committee, to be led by the Office of Policy and Management. This has no fiscal impact.

Section 14 requires DSS to apply for a 1915(c) waiver for elderly and disabled individuals under Medicaid and consolidate existing waivers. This is not anticipated to result in a fiscal impact.

To the extent that such consolidation affects the structure of the existing waivers (such as removing or lowering the caps), or opens the state to additional coverage groups, additional savings or costs could result. The fiscal impact would be dependent on the model adopted under the waiver, the number of applicable Medicaid recipients, and the state expenditures for each recipient.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sHB 5898*****AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE COMMISSION ON ENHANCING AGENCY OUTCOMES.*****SUMMARY:**

This bill implements several of the Commission on Enhancing Agency Outcomes' recommendations. These include requiring:

1. the establishment of working groups concerning the deinstitutionalization of residents of Southbury Training School and Albert J. Solnit Children's Center - South Campus;
2. the Office of Policy and Management (OPM) secretary to develop a plan to reduce manager-to-employee ratios;
3. (a) the state to provide pay records to its employees electronically, with printed records provided only upon request, and (b) each agency to implement and maintain an electronic time and attendance system that is compatible with the statewide time and attendance system;
4. the Department of Social Services (DSS) to resubmit to the legislature a plan to (a) implement a drug purchasing program combining DSS' drug assistance programs with the state employee and prisoner health plans' drug procurement programs and (b) join a multi-state drug purchasing pool;
5. all state agencies to use modern procurement practices in routine purchasing in order to achieve a 10% reduction in the cost of state contracting;
6. DSS, within 90 days of the bill's passage, to report to the Government Administration and Elections (GAE) Committee on

- the effectiveness of the nursing home drug return program;
7. DSS to develop and implement a plan to (a) increase by at least 5% the number of generic drugs dispensed to DSS pharmacy assistance program beneficiaries and (b) reduce the amount DSS pays for generics to an amount not more than the national Medicaid average for generics;
 8. DSS pharmacy program personnel to direct the state's Drug Utilization Review (DUR) Board to study (a) the average number of prescription drugs dispensed annually to each DSS pharmacy program beneficiary, (b) why the number is higher in Connecticut than other states, and (c) recommendations concerning drug prescribing;
 9. the Department of Revenue Services (DRS) to employ more auditors and collection and enforcement personnel than the number it employed on June 30, 2013;
 10. the establishment of a steering committee to study the implementation of "lean techniques" in state agencies; and
 11. DSS to apply for a single federal Medicaid Section 1915(c) home- and community-based services (HCBS) waiver to enable the department to provide HCBS to disabled and elderly people who are Medicaid-eligible.

EFFECTIVE DATE: Upon passage, except for the provision requiring DRS to hire additional auditors and collection and enforcement personnel, which is effective July 1, 2013.

§§ 1 & 2 — SOUTHBURY TRAINING SCHOOL

The bill requires the Department of Developmental Services (DDS) commissioner, or his designee, to lead a working group to develop a plan to deinstitutionalize the residents of Southbury Training School (STS). The group must include the OPM secretary, or his designee, and a representative, each selected by the DDS commissioner, of (1) the

school's residents, (2) state employees working at STS or a union representing them, (3) an advocacy group for the residents, and (4) a private provider of services the residents need.

The deinstitutionalization plan must consider the feasibility of safely moving the residents into "new community settings." The working group must consider the (1) relationships built between residents and staff and (2) whether state employees, private providers, or both, should provide the community-based services to the residents. Any recommendations must be based on a cost-benefit analysis that considers both financial costs and quality of care issues.

The DDS commissioner must report on the plan to the GAE Committee and the governor within six months of the bill's passage.

§ 2 — ALBERT J. SOLNIT CHILDREN'S CENTER – SOUTH CAMPUS

The bill requires the Department of Children and Families (DCF) commissioner, or her designee, to lead a working group to develop a plan to deinstitutionalize the patients of the Albert J. Solnit Children's Center – South Campus (formerly Riverview Hospital for Children and Youth). The group must include the OPM secretary and the commissioners of Mental Health and Addiction Services and Public Health, or their designees; the child advocate; and one representative each from (1) the center's patients, (2) state employees working at the center or a union representing them, (3) a patient advocacy group, and (4) a private provider of services that the patients need. The DCF commissioner selects each of these representatives.

The working group must consider:

1. the quality of care provided;
2. the promotion of home and community-based care;
3. whether state employees, private employees, or both, should provide care;

4. possible staff downsizing without compromising care quality; and
5. alternative prevention and intervention treatment programs that could help avoid inpatient care.

Plan recommendations must be based on a cost-benefit analysis that considers both financial costs and quality of care issues.

The DCF commissioner must report on the plan to the GAE Committee and the governor within six months of the bill's passage.

§ 3 — MANAGER- AND SUPERVISOR-TO-EMPLOYEE RATIO

No later than three months after its passage, the bill requires the OPM secretary to (1) develop and implement a plan to reduce the executive branch agency manager- and supervisor-to-employee ratio to no more than 1:10 and (2) file his plan with the GAE Committee and governor. The plan must ensure that the lower ratio is achieved as a bottom line number, spread across all executive branch agencies, within nine months of its completion. The bill defines "executive branch agency" as all departments, boards, councils, commissions, institutions, or other agencies in the executive branch but does not include the offices of the Attorney General, Comptroller, Secretary of the State, or Treasurer.

An agency that fails to comply with the plan within nine months of the plan's submission must report the reasons why to the governor, OPM secretary, and GAE Committee.

§ 4-6 — EMPLOYEE TIME AND ATTENDANCE SYSTEM

The law requires the comptroller, in conjunction with the DAS commissioner, to develop, implement, and maintain a state-wide time and attendance system that is (1) integrated with the central payroll system and (2) compatible with the development of the comprehensive data base system. By July 1, 2014, the bill requires each state agency to implement and maintain its employee time and attendance system electronically in a format that is compatible with the state-wide system.

The bill also requires the state to provide records of hours worked and gross earnings to its employees electronically, with printed records provided only upon request. It is unclear if the bill requires itemized deductions and net earnings to be included in the electronic pay notice, as the law currently requires employers to include in written pay notices.

§ 7 — DSS DRUG PURCHASING PLAN

PA 09-206 required the DSS commissioner, along with the DAS commissioner and comptroller, to develop a plan to (1) implement a drug purchasing program to combine DSS' drug assistance programs with the state employee and prisoner health plans' drug procurement programs and (2) join a multi-state Medicaid pharmaceutical purchasing pool. The plan was to have been submitted to the Human Services and Public Health committees by December 31, 2009.

In 2010, DSS submitted the plan and joined a multi-state Medicaid pharmaceutical purchasing pool. In the plan, DSS identified two options for additional cost savings in the purchase of Medicaid prescription drugs (bulk purchasing and adjusting DSS' reimbursement rates), both of which appeared to require additional legislation.

The bill requires DSS to resubmit the plan to the original committees and the GAE Committee within 90 days of the bill's passage. It also requires the DSS commissioner to submit to the federal Centers for Medicare and Medicaid Services any Medicaid state plan amendment that may be necessary to implement the plan.

§ 8 — MODERN PROCUREMENT PRACTICES

The bill requires all state agencies to use modern procurement practices in routine purchasing in order to achieve a 10% reduction in state contracting costs. The practices must include (1) reverse auctions, (2) job-order contracting, (3) on-line bid submission, (4) membership in purchasing cooperatives, (5) performance-based contracting, and (6) contingency contracting. DAS must establish guidelines for these

practices and post them on its website.

Under the bill, “job-order contracting” means a competitively bid contract that uses a catalog of pre-priced, common construction tasks and sets parameters involving the design criteria and the type, location, and maximum amount of work. “Performance-based contracting” means an agency describes the result it wants achieved and contractors’ bids state methods for achieving that result. The agency must develop clear ways to measure the result and contractors’ performance. “Contingency contracting” means the contractor is paid on a percentage basis of the savings or revenue collected by the agency that is attributable to the contract.

§ 9 — NURSING HOME DRUG RETURN PROGRAM REPORT

The bill requires the DSS commissioner, within 90 days of the bill’s passage, to report to the GAE Committee on the effectiveness of the nursing home drug return program. The report must include:

1. the name of each nursing home that the commissioner has notified of failure to comply with return program requirements and the amount of the penalty DSS assessed for the noncompliance,
2. the total number of nursing homes that the commissioner believes have failed to comply with the return program law and why they may have been noncompliant,
3. a description of the commissioner’s efforts to increase compliance, and
4. recommendations for increasing compliance.

§ 10 — INCREASING USE OF GENERIC DRUGS IN DSS PHARMACY PROGRAMS

The bill requires the DSS commissioner, within 90 days of the bill’s passage, to develop and implement a plan to (1) increase by at least 5% the number of generic drugs dispensed to “recipients of benefits under the state’s medical assistance programs” (presumably, this is DSS’

medical assistance programs) and (2) reduce the amount the state pays for generics to an amount not more than the national Medicaid average for generics. Currently, for most generics, DSS reimburses pharmacies between 20% and 72% of the average wholesale price, based on a sliding scale.

The plan must include a description of policy changes whose implementation reduces the number of brand-name drugs for which DSS or its independent pharmacy consultant grants prior authorization. In general, DSS medical assistance recipients are supposed to receive chemically equivalent generic substitutions when they present a prescription at the pharmacy. A prescriber must provide prior authorization if he or she wants the patient to have a brand-name drug that is not on DSS' preferred drug list.

DSS must submit the plan to the GAE Committee by September 1, 2013.

§ 11 — DRUG UTILIZATION REVIEW BOARD

The bill requires DSS pharmacy program personnel to direct the state's Drug Utilization Review (DUR) Board to study (1) the average number of prescription drugs dispensed annually to each DSS pharmacy program beneficiary, (2) why the number is higher in Connecticut than other states, and (3) recommendations concerning drug prescribing.

The DSS commissioner, within 90 days of the bill's passage, must report to the GAE Committee on the DUR Board's findings.

§ 13 — LEAN GOVERNMENT STEERING COMMITTEE

The bill establishes a steering committee to study the implementation of "lean techniques" in state agencies. It defines lean techniques as methods of improving administrative processes that:

1. focus on customer service and seek to optimize value to the public;

2. involve employees, the regulated community, and the public in continual improvements and the finding of solutions;
3. use a continual improvement framework that emphasizes rapid implementation rather than lengthy planning;
4. seek to reduce the complexity of the process; and
5. use metrics and visual controls to improve decision making and problem solving.

The committee is chaired by the OPM secretary or his designee. The governor appoints five committee members, with one member each from the banking industry, service sector, manufacturing sector, healthcare industry, and a collective bargaining unit. The appointees must have experience with lean techniques. Additionally, a representative from the Connecticut Center for Advanced Technology (CCAT) is a nonvoting member (it is unclear how this representative is chosen). Appointments to the committee must be made, and its first meeting must occur, within 30 days of the bill's passage. The bill also requires CCAT to help the committee develop an implementation plan. It requires the committee, within 60 days of the bill's passage, to report its findings and recommendations to the governor, House speaker, Senate president pro tempore, and the GAE Committee.

§ 14 — SINGLE HOME- AND COMMUNITY-BASED CARE WAIVER FOR ELDERLY AND DISABLED PEOPLE

The bill requires the DSS commissioner, within 90 days of the bill's passage, to apply for a federal Section 1915(c) home- and community-based services (HCBS) waiver to enable him to provide HCBS to disabled and elderly people who are receiving Medicaid. He must take any actions necessary to consolidate all Medicaid waivers under which HCBS services are provided to the two groups, as federal law allows.

Currently, the state has several 1915(c) waivers, including one that serves only elders and others serving individuals with disabilities.

BACKGROUND

Commission on Enhancing Agency Outcomes

The Commission on Enhancing Agency Outcomes was established in February 2009 (P.A. 09-2, § 9). The commission was charged with identifying efficiencies to reduce the cost of state government and improve public service delivery. It submitted its final report and recommendations to the General Assembly and the governor on December 30, 2010.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 14 Nay 0 (04/05/2013)