
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)