



House Bill 5247

An Act Implementing the Recommendations of the Auditors of Public Accounts

**Testimony of Commissioner Melody A. Currey
Department of Administrative Services**

**Government Administration & Elections Committee
February 22, 2016**

The Department of Administrative Services ("DAS") offers the following testimony regarding section 13 of House Bill 5247, An Act Implementing the Recommendations of the Auditors of Public Accounts.

Under C.G.S. §4a-80, as currently written, when an agency contracts for the purchase of goods or services or enters into a lease, that agency must obtain the Social Security number or FEIN of the contractor. It further requires each public agency to provide to the Department of Revenue Services, a yearly report on a "compatible magnetic tape file or some other form which is acceptable to the commissioner" a list of all such contractors, together with the contractor's name, address, social security number or FEIN.

Section 13 of House Bill 5247 seeks to amend C.G. S. §4a-80 to require DAS to provide the Department of Revenue Services with the social security numbers or federal employer identification numbers (FEINs) of any entities paid by third parties administrators for goods or services provided to the State. This proposal results from a disagreement between DAS and the Auditors over whether medical professionals who provide medical services to state employees who receive workers' compensation benefits should be characterized as entities from whom the State contracts for the purchase of goods and services. DAS disagrees with the basic premise underlying the Auditors' recommendation, namely, that doctors and other medical professionals who provide medical services to state employees who received workers' compensation benefits are state vendors. These medical professionals are not selling their wares to the State; rather, they are akin to doctors in any other health insurance network. Because the State has not contracted with these individual medical providers, they are not subject to the requirements of C.G.S. §4a-80.

More fundamentally, however, DAS is opposed to this proposal because DAS believes that C.G.S. §4a-80, in its entirety, is obsolete and unnecessary. To the extent that an agency needs a contractor's



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social security number or FEIN in order to process payments, such need is already addressed by C.G.S. §4a-78, and C.G.S. §4a-79, as well as by simple economic reality. Moreover, if DRS has any need to know whether a particular entity has received state dollars, it can easily make that determination by running a search in CORE-CT. There is simply no need for any agency, including DAS, to make a separate list of its vendors and provide that list to DRS. C.G.S. §4a-80 should not be amended, it should be repealed.

For these reasons, DAS is opposed to Section 13 of House Bill 5247.