AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET RECOMMENDATIONS FOR HUMAN SERVICES PROGRAMS.

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

Section 1. Subsection (b) of section 13b-69 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2017):

(b) The remaining resources of the Special Transportation Fund shall, pursuant to appropriation thereof in accordance with chapter 50 and subject to approval by the Governor of allotment thereof, be applied and expended for (1) payment of the principal of and interest on "general obligation bonds of the state issued for transportation purposes", as defined in subsection (c) of this section, or any obligations refunding the same, (2) payment of state budget appropriations made to or for the Department of Transportation and the Department of Motor Vehicles, (3) payment of state budget
appropriations made to or for the Department of Emergency Services and Public Protection for members of the Division of State Police designated by the Commissioner of Emergency Services and Public Protection for motor patrol work pursuant to section 29-4, except that (A) for the fiscal years commencing on or after July 1, 1998, excluding the highway motor patrol budgeted expenses, and (B) for the fiscal years commencing on or after July 1, 1999, excluding the highway motor patrol fringe benefits, and (4) payment to the Department of Energy and Environmental Protection for purposes of regulation and enforcement of chapter 268, and (5) payment to the Department of Social Services for purposes of the transportation for employment independence program.]

Sec. 2. Section 17a-248 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2017):

As used in this section and sections 17a-248b to 17a-248g, inclusive, 38a-490a and 38a-516a, unless the context otherwise requires:

(1) "Commissioner" means the Commissioner of Social Services.

(2) "Council" means the State Interagency Birth-to-Three Coordinating Council established pursuant to section 17a-248b.

(3) "Early intervention services" means early intervention services, as defined in 34 CFR Part 303.13, as from time to time amended.

(4) "Eligible children" means children from birth to thirty-six months of age, who are not eligible for special education and related services pursuant to sections 10-76a to 10-76h, inclusive, and who need early intervention services because such children are:

(A) Experiencing a significant developmental delay as measured by standardized diagnostic instruments and procedures, including informed clinical opinion, in one or more of the following areas: (i)
Cognitive development; (ii) physical development, including vision or hearing; (iii) communication development; (iv) social or emotional development; or (v) adaptive skills; or

(B) Diagnosed as having a physical or mental condition that has a high probability of resulting in developmental delay.

(5) "Evaluation" means a multidisciplinary professional, objective assessment conducted by appropriately qualified personnel in order to determine a child's eligibility for early intervention services.

(6) "Individualized family service plan" means a written plan for providing early intervention services to an eligible child and the child's family.

(7) "Lead agency" means the [Office of Early Childhood] Department of Social Services, the public agency responsible for the administration of the birth-to-three system in collaboration with the participating agencies.

(8) "Parent" means (A) a biological, adoptive or foster parent of a child; (B) a guardian, except for the Commissioner of Children and Families; (C) an individual acting in the place of a biological or adoptive parent, including, but not limited to, a grandparent, stepparent, or other relative with whom the child lives; (D) an individual who is legally responsible for the child's welfare; or (E) an individual appointed to be a surrogate parent.

(9) "Participating agencies" includes, but is not limited to, the Departments of Education, Social Services, Public Health, Children and Families and Developmental Services, the Office of Early Childhood, the Insurance Department [I] and the Department of Rehabilitation Services [I] and the Office of Protection and Advocacy for Persons with Disabilities.]

(10) "Qualified personnel" means persons who meet the standards
specified in 34 CFR Part 303.31, as from time to time amended, and
who are licensed physicians or psychologists or persons holding a
state-approved or recognized license, certificate or registration in one
or more of the following fields: (A) Special education, including
teaching of the blind and the deaf; (B) speech and language pathology
and audiology; (C) occupational therapy; (D) physical therapy; (E)
social work; (F) nursing; (G) dietary or nutritional counseling; and (H)
other fields designated by the commissioner that meet requirements
that apply to the area in which the person is providing early
intervention services, provided there is no conflict with existing
professional licensing, certification and registration requirements.

(11) "Service coordinator" means a person carrying out service
coordination services, as defined in 34 CFR Part 303.34, as from time to
time amended.

(12) "Primary care provider" means physicians and advanced
practice registered nurses, licensed by the Department of Public
Health, who are responsible for performing or directly supervising the
primary care services for children enrolled in the birth-to-three
program.

Sec. 3. Section 17a-248h of the general statutes is repealed and the
following is substituted in lieu thereof (Effective July 1, 2017):

The birth-to-three program, established under section 17a-248b and
administered by the [Office of Early Childhood] Department of Social
Services, shall provide mental health services to any child eligible for
early intervention services pursuant to Part C of the Individuals with
Disabilities Education Act, 20 USC 1431 et seq., as amended from time
to time. Any child not eligible for services under said act shall be
referred by the program to a licensed mental health care provider for
evaluation and treatment, as needed.

Sec. 4. Section 17a-248i of the general statutes is repealed and the
following is substituted in lieu thereof (Effective July 1, 2017):
(a) Not later than October 1, 2015, the Commissioner of [Early Childhood] Social Services shall require, as part of the birth-to-three program established under section 17a-248b, that the parent or guardian of a child who is (1) receiving services under the birth-to-three program, and (2) exhibiting delayed speech, language or hearing development, be notified of the availability of hearing testing for such child. Such notification may include, but need not be limited to, information regarding (A) the benefits of hearing testing for children, (B) the resources available to the parent or guardian for hearing testing and treatment, and (C) any financial assistance that may be available for such testing.

(b) The Commissioner of [Early Childhood] Social Services may adopt regulations, in accordance with chapter 54, to implement the provisions of subsection (a) of this section.

Sec. 5. Subsection (b) of section 17b-104 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2017):

(b) On July 1, 2007, and annually thereafter, the commissioner shall increase the payment standards over those of the previous fiscal year under the temporary family assistance program and the state-administered general assistance program by the percentage increase, if any, in the most recent calendar year average in the consumer price index for urban consumers over the average for the previous calendar year, provided the annual increase, if any, shall not exceed five per cent, except that the payment standards for the fiscal years ending June 30, 2010, June 30, 2011, June 30, 2012, June 30, 2013, June 30, 2016, [and] June 30, 2017, June 30, 2018, and June 30, 2019, shall not be increased.

Sec. 6. Section 17b-106 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2017):

(a) On January 1, 2006, and on each January first thereafter, the
Commissioner of Social Services shall increase the unearned income
disregard for recipients of the state supplement to the federal
Supplemental Security Income Program by an amount equal to the
federal cost-of-living adjustment, if any, provided to recipients of
federal Supplemental Security Income Program benefits for the
corresponding calendar year. On July 1, 1989, and annually thereafter,
the commissioner shall increase the adult payment standards over
those of the previous fiscal year for the state supplement to the federal
Supplemental Security Income Program by the percentage increase, if
any, in the most recent calendar year average in the consumer price
index for urban consumers over the average for the previous calendar
year, provided the annual increase, if any, shall not exceed five per
cent, except that the adult payment standards for the fiscal years
and June 30, 2019, shall not be increased. Effective October 1, 1991, the
coverage of excess utility costs for recipients of the state supplement to
the federal Supplemental Security Income Program is eliminated.
Notwithstanding the provisions of this section, the commissioner may
increase the personal needs allowance component of the adult
payment standard as necessary to meet federal maintenance of effort
requirements.

(b) Effective July 1, 2011, the commissioner shall provide a state
supplement payment for recipients of Medicaid and the federal
Supplemental Security Income Program who reside in long-term care
facilities sufficient to increase their personal needs allowance to [sixty]
fifty dollars per month. Such state supplement payment shall be made
to the long-term care facility to be deposited into the personal fund
account of each such recipient. For the purposes of this subsection,
"long-term care facility" means a licensed chronic and convalescent
nursing home, a chronic disease hospital, a rest home with nursing
supervision, an intermediate care facility for individuals with
intellectual disabilities or a state humane institution.

Sec. 7. Section 17b-272 of the general statutes is repealed and the
following is substituted in lieu thereof (Effective July 1, 2017):

Effective July 1, 2011, the Commissioner of Social Services shall
permit patients residing in nursing homes, chronic disease hospitals
and state humane institutions who are medical assistance recipients
under sections 17b-260 to 17b-262, inclusive, 17b-264 to 17b-285,
inclusive, and 17b-357 to 17b-361, inclusive, to have a monthly
personal fund allowance of [sixty] fifty dollars.

Sec. 8. Subsection (a) of section 17b-131 of the general statutes is
repealed and the following is substituted in lieu thereof (Effective July
1, 2017):

(a) When a person in any town, or sent from such town to any
licensed institution or state humane institution, dies or is found dead
therein and does not leave sufficient estate and has no legally liable
relative able to pay the cost of a proper funeral and burial, or upon the
death of any beneficiary under the state-administered general
assistance program, the Commissioner of Social Services shall give to
such person a proper funeral and burial, and shall pay a sum not
exceeding [one thousand two] nine hundred dollars as an allowance
toward the funeral expenses of such decedent. Said sum shall be paid,
upon submission of a proper bill, to the funeral director, cemetery or
crematory, as the case may be. Such payment for funeral and burial
expenses shall be reduced by (1) the amount in any revocable or
irrevocable funeral fund, (2) any prepaid funeral contract, (3) the face
value of any life insurance policy owned by the decedent, (4) the net
value of all liquid assets in the decedent's estate, and (5) contributions
in excess of three thousand four hundred dollars toward such funeral
and burial expenses from all other sources including friends, relatives
and all other persons, organizations, agencies, veterans' programs and
other benefit programs.

Sec. 9. Subsection (a) of section 17b-84 of the general statutes is
repealed and the following is substituted in lieu thereof (Effective July
1, 2017):

(a) Upon the death of any beneficiary under the state supplement or
the temporary family assistance program, the Commissioner of Social
Services shall order the payment of a sum not to exceed [one thousand
two] nine hundred dollars as an allowance toward the funeral and
burial expenses of such decedent. The payment for funeral and burial
expenses shall be reduced by (1) the amount in any revocable or
irrevocable funeral fund, (2) any prepaid funeral contract, (3) the face
value of any life insurance policy owned by the decedent, (4) the net
value of all liquid assets in the decedent's estate, and (5) contributions
in excess of three thousand four hundred dollars toward such funeral
and burial expenses from all other sources, including friends, relatives
and all other persons, organizations, agencies, veterans' programs and
other benefit programs.

Sec. 10. Section 17b-256f of the general statutes is repealed and the
following is substituted in lieu thereof (Effective July 1, 2017):

The Commissioner of Social Services shall increase income
disregards used to determine eligibility by the Department of Social
Services for the federal Qualified Medicare Beneficiary, the Specified
Low-Income Medicare Beneficiary and the Qualifying Individual
programs, administered in accordance with the provisions of 42 USC
1396d(p), by such amounts that shall result in persons with income
that is (1) less than [two hundred eleven] one hundred thirty-five per
cent of the federal poverty level qualifying for the Qualified Medicare
Beneficiary program, (2) at or above [two hundred eleven] one
hundred thirty-five per cent of the federal poverty level but less than
[two hundred thirty-one] one hundred fifty-five per cent of the federal
poverty level qualifying for the Specified Low-Income Medicare Beneficiary program, and (3) at or above \([two \text{ hundred thirty-one}] \text{ one hundred fifty-five} \) per cent of the federal poverty level but less than \([two \text{ hundred forty-six}] \text{ one hundred seventy} \) per cent of the federal poverty level qualifying for the Qualifying Individual program. The commissioner shall not apply an asset test for eligibility under the Medicare Savings Program. The commissioner shall not consider as income Aid and Attendance pension benefits granted to a veteran, as defined in section 27-103, or the surviving spouse of such veteran. The Commissioner of Social Services, pursuant to section 17b-10, may implement policies and procedures to administer the provisions of this section while in the process of adopting such policies and procedures in regulation form, provided the commissioner prints notice of the intent to adopt the regulations \([in \text{ the Connecticut Law Journal}] \text{ on the department's Internet web site and the eRegulations System not later than twenty days after the date of implementation}. Such policies and procedures shall be valid until the time final regulations are adopted.

Sec. 11. Subsection (a) of section 17b-261 of the general statutes is repealed and the following is substituted in lieu thereof \((Effective \text{ July 1, 2017})\):

(a) Medical assistance shall be provided for any otherwise eligible person whose income, including any available support from legally liable relatives and the income of the person's spouse or dependent child, is not more than \(one \text{ hundred forty-three} \) per cent, pending approval of a federal waiver applied for pursuant to subsection (e) of this section, of the benefit amount paid to a person with no income under the temporary family assistance program in the appropriate region of residence and if such person is an institutionalized individual as defined in Section 1917 of the Social Security Act, 42 USC 1396p(h)(3), and has not made an assignment or transfer or other disposition of property for less than fair market value for the purpose of establishing eligibility for benefits or assistance under this section. Any such disposition shall be treated in accordance with Section
1917(c) of the Social Security Act, 42 USC 1396p(c). Any disposition of property made on behalf of an applicant or recipient or the spouse of an applicant or recipient by a guardian, conservator, person authorized to make such disposition pursuant to a power of attorney or other person so authorized by law shall be attributed to such applicant, recipient or spouse. A disposition of property ordered by a court shall be evaluated in accordance with the standards applied to any other such disposition for the purpose of determining eligibility. The commissioner shall establish the standards for eligibility for medical assistance at one hundred forty-three per cent of the benefit amount paid to a household of equal size with no income under the temporary family assistance program in the appropriate region of residence. In determining eligibility, the commissioner shall not consider as income Aid and Attendance pension benefits granted to a veteran, as defined in section 27-103, or the surviving spouse of such veteran. Except as provided in section 17b-277 and section 17b-292, the medical assistance program shall provide coverage to persons under the age of nineteen with household income up to one hundred ninety-six per cent of the federal poverty level without an asset limit and to persons under the age of nineteen, who qualify for coverage under Section 1931 of the Social Security Act, with household income not exceeding one hundred ninety-six per cent of the federal poverty level without an asset limit, and their parents and needy caretaker relatives, who qualify for coverage under Section 1931 of the Social Security Act, with household income not exceeding one hundred [fifty] thirty-three per cent of the federal poverty level without an asset limit. Such levels shall be based on the regional differences in such benefit amount, if applicable, unless such levels based on regional differences are not in conformance with federal law. Any income in excess of the applicable amounts shall be applied as may be required by said federal law, and assistance shall be granted for the balance of the cost of authorized medical assistance. The Commissioner of Social Services shall provide applicants for assistance under this section, at the time of application, with a written statement advising them of (1) the effect of an
assignment or transfer or other disposition of property on eligibility for benefits or assistance, (2) the effect that having income that exceeds the limits prescribed in this subsection will have with respect to program eligibility, and (3) the availability of, and eligibility for, services provided by the Nurturing Families Network established pursuant to section 17b-751b. For coverage dates on or after January 1, 2014, the department shall use the modified adjusted gross income financial eligibility rules set forth in Section 1902(e)(14) of the Social Security Act and the implementing regulations to determine eligibility for HUSKY A, HUSKY B and HUSKY D applicants, as defined in section 17b-290. Persons who are determined ineligible for assistance pursuant to this section shall be provided a written statement notifying such persons of their ineligibility and advising such persons of their potential eligibility for one of the other insurance affordability programs as defined in 42 CFR 435.4.

Sec. 12. Subsection (c) of section 17b-265d of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2017):

(c) A full benefit dually eligible Medicare Part D beneficiary shall be responsible for any Medicare Part D prescription drug copayments imposed pursuant to Public Law 108-173, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, [in an amount not to exceed seventeen dollars per month in the aggregate. The Department of Social Services shall be responsible for payment, on behalf of such beneficiary, of any portion of such Medicare Part D prescription drug copayment which exceeds seventeen dollars in the aggregate in any month.]

Sec. 13. Section 17b-280 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(a) [The state shall reimburse for all legend drugs provided under medical assistance programs administered by the Department of Social...]

LCO No. 3790   11 of 55
Governor's Bill No. 7040

Services at the lower of (1) the rate established by the Centers for Medicare and Medicaid Services as the federal acquisition cost, (2) the average wholesale price minus sixteen and one-half per cent, or (3) an equivalent percentage as established under the Medicaid state plan. The state shall pay a professional fee of one dollar and forty cents to licensed pharmacies for each prescription dispensed to a recipient of benefits under a medical assistance program administered by the Department of Social Services in accordance with federal regulations. On and after September 4, 1991, payment for legend and nonlegend drugs provided to Medicaid recipients shall be based upon the actual package size dispensed. Effective October 1, 1991, reimbursement for over-the-counter drugs for such recipients shall be limited to those over-the-counter drugs and products published in the Connecticut Formulary, or the cross reference list, issued by the commissioner. The cost of all over-the-counter drugs and products provided to residents of nursing facilities, chronic disease hospitals, and intermediate care facilities for individuals with intellectual disabilities shall be included in the facilities' per diem rate. Notwithstanding the provisions of this subsection, no dispensing fee shall be issued for a prescription drug dispensed to a Medicaid recipient who is a Medicare Part D beneficiary when the prescription drug is a Medicare Part D drug, as defined in Public Law 108-173, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003. Effective on or after April 1, 2017, the Commissioner of Social Services may, with the approval of the Secretary of the Office of Policy and Management, revise the reimbursement methodology and professional dispensing fees for covered outpatient drugs under the Medicaid program to meet the requirements of federal regulations implementing changes to Section 1927 of the Social Security Act.

[(b) The Department of Social Services may provide an enhanced dispensing fee to a pharmacy enrolled in the federal Office of Pharmacy Affairs Section 340B drug discount program established pursuant to 42 USC 256b or a pharmacy under contract to provide]
services under said program.]

[(c) [(b)] The Department of Social Services shall pay for an original prescription that is otherwise eligible for payment and as many refills as ordered by a licensed authorized practitioner within twelve months, provided controlled substances as described in subsection (h) of section 21a-249 shall not be included in the provisions of this subsection. The department shall pay a professional license fee pursuant to subsection (a) of this section for each approved refill.

Sec. 14. Section 17b-340 of the general statutes is amended by adding subsection (j) as follows (Effective July 1, 2017):

(NEW) (j) Notwithstanding the provisions of this section, state rates of payment for the fiscal years ending June 30, 2018, and June 30, 2019, for residential care homes, community living arrangements and community companion homes that receive the flat rate for residential services under section 17-311-54 of the regulations of Connecticut state agencies shall be set in accordance with section 16 of this act.

Sec. 15. Section 17b-244 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2017):

(a) The room and board component of the rates to be paid by the state to private facilities and facilities operated by regional education service centers which are licensed to provide residential care pursuant to section 17a-227, but not certified to participate in the Title XIX Medicaid program as intermediate care facilities for individuals with intellectual disabilities, shall be determined annually by the Commissioner of Social Services, except that rates effective April 30, 1989, shall remain in effect through October 31, 1989. Any facility with real property other than land placed in service prior to July 1, 1991, shall, for the fiscal year ending June 30, 1995, receive a rate of return on real property equal to the average of the rates of return applied to real property other than land placed in service for the five years preceding July 1, 1993. For the fiscal year ending June 30, 1996, and any
succeeding fiscal year, the rate of return on real property for property
items shall be revised every five years. The commissioner shall, upon
submission of a request by such facility, allow actual debt service,
comprised of principal and interest, on the loan or loans in lieu of
property costs allowed pursuant to section 17-313b-5 of the regulations
of Connecticut state agencies, whether actual debt service is higher or
lower than such allowed property costs, provided such debt service
terms and amounts are reasonable in relation to the useful life and the
base value of the property. In the case of facilities financed through the
Connecticut Housing Finance Authority, the commissioner shall allow
actual debt service, comprised of principal, interest and a reasonable
repair and replacement reserve on the loan or loans in lieu of property
costs allowed pursuant to section 17-313b-5 of the regulations of
Connecticut state agencies, whether actual debt service is higher or
lower than such allowed property costs, provided such debt service
terms and amounts are determined by the commissioner at the time
the loan is entered into to be reasonable in relation to the useful life
and base value of the property. The commissioner may allow fees
associated with mortgage refinancing provided such refinancing will
result in state reimbursement savings, after comparing costs over the
terms of the existing proposed loans. For the fiscal year ending June 30,
1992, the inflation factor used to determine rates shall be one-half of
the gross national product percentage increase for the period between
the midpoint of the cost year through the midpoint of the rate year. For
fiscal year ending June 30, 1993, the inflation factor used to determine
rates shall be two-thirds of the gross national product percentage
increase from the midpoint of the cost year to the midpoint of the rate
year. For the fiscal years ending June 30, 1996, and June 30, 1997, no
inflation factor shall be applied in determining rates. The
Commissioner of Social Services shall prescribe uniform forms on
which such facilities shall report their costs. Such rates shall be
determined on the basis of a reasonable payment for necessary
services. Any increase in grants, gifts, fund-raising or endowment
income used for the payment of operating costs by a private facility in
the fiscal year ending June 30, 1992, shall be excluded by the commissioner from the income of the facility in determining the rates to be paid to the facility for the fiscal year ending June 30, 1993, provided any operating costs funded by such increase shall not obligate the state to increase expenditures in subsequent fiscal years. Nothing contained in this section shall authorize a payment by the state to any such facility in excess of the charges made by the facility for comparable services to the general public. The service component of the rates to be paid by the state to private facilities and facilities operated by regional education service centers which are licensed to provide residential care pursuant to section 17a-227, but not certified to participate in the Title XIX Medicaid programs as intermediate care facilities for individuals with intellectual disabilities, shall be determined annually by the Commissioner of Developmental Services in accordance with section 17b-244a. For the fiscal year ending June 30, 2008, no facility shall receive a rate that is more than two per cent greater than the rate in effect for the facility on June 30, 2007, except any facility that would have been issued a lower rate effective July 1, 2007, due to interim rate status or agreement with the department, shall be issued such lower rate effective July 1, 2007. For the fiscal year ending June 30, 2009, no facility shall receive a rate that is more than two per cent greater than the rate in effect for the facility on June 30, 2008, except any facility that would have been issued a lower rate effective July 1, 2008, due to interim rate status or agreement with the department, shall be issued such lower rate effective July 1, 2008. For the fiscal years ending June 30, 2010, and June 30, 2011, rates in effect for the period ending June 30, 2009, shall remain in effect until June 30, 2011, except that (1) the rate paid to a facility may be higher than the rate paid to the facility for the period ending June 30, 2009, if a capital improvement required by the Commissioner of Developmental Services for the health or safety of the residents was made to the facility during the fiscal years ending June 30, 2010, or June 30, 2011, and (2) any facility that would have been issued a lower rate for the fiscal year ending June 30, 2010, or June 30, 2011, due to interim rate
status or agreement with the department, shall be issued such lower rate. For the fiscal year ending June 30, 2012, rates in effect for the period ending June 30, 2011, shall remain in effect until June 30, 2012, except that (A) the rate paid to a facility may be higher than the rate paid to the facility for the period ending June 30, 2011, if a capital improvement required by the Commissioner of Developmental Services for the health or safety of the residents was made to the facility during the fiscal year ending June 30, 2012, and (B) any facility that would have been issued a lower rate for the fiscal year ending June 30, 2012, due to interim rate status or agreement with the department, shall be issued such lower rate. Any facility that has a significant decrease in land and building costs shall receive a reduced rate to reflect such decrease in land and building costs. The rate paid to a facility may be increased if a capital improvement approved by the Department of Developmental Services, in consultation with the Department of Social Services, for the health or safety of the residents was made to the facility during the fiscal year ending June 30, 2014, or June 30, 2015, only to the extent such increases are within available appropriations. For the fiscal years ending June 30, 2016, and June 30, 2017, rates shall not exceed those in effect for the period ending June 30, 2015, except the rate paid to a facility may be higher than the rate paid to the facility for the period ending June 30, 2015, if a capital improvement approved by the Department of Developmental Services, in consultation with the Department of Social Services, for the health or safety of the residents was made to the facility during the fiscal year ending June 30, 2016, or June 30, 2017, only to the extent such rate increases are within available appropriations. For the fiscal years ending June 30, 2016, and June 30, 2017, and each succeeding fiscal year, any facility that would have been issued a lower rate, due to interim rate status, a change in allowable fair rent or agreement with the department, shall be issued such lower rate. For the fiscal years ending June 30, 2018, and June 30, 2019, rates shall not exceed those in effect for the period ending June 30, 2017, except the rate paid to a facility may be higher than the rate paid to the facility for the period
ending June 30, 2017, if a capital improvement approved by the
Department of Developmental Services, in consultation with the
Department of Social Services, for the health or safety of the residents
was made to the facility during the fiscal year ending June 30, 2018, or
June 30, 2019, only to the extent such rate increases are within available
appropriations.

(b) Notwithstanding the provisions of subsection (a) of this section,
state rates of payment for the fiscal years ending June 30, 2018, and
June 30, 2019, for residential care homes, community living
arrangements and community companion homes that receive the flat
rate for residential services under section 17-311-54 of the regulations
of Connecticut state agencies shall be set in accordance with section 16
of this act.

[(b)] (c) The Commissioner of Social Services and the Commissioner
of Developmental Services shall adopt regulations in accordance with
the provisions of chapter 54 to implement the provisions of this
section.

Sec. 16. (Effective July 1, 2017) Notwithstanding subsection (a) of
section 17b-244 and subsections (a) to (i), inclusive, of section 17b-340
of the general statutes, as amended by this act, or any other provision
of the general statutes, or regulation adopted thereunder, the state
rates of payments in effect for the fiscal year ending June 30, 2016, for
residential care homes, community living arrangements and
community companion homes that receive the flat rate for residential
services under section 17-311-54 of the regulations of Connecticut state
agencies shall remain in effect until June 30, 2019.

Sec. 17. Subsection (a) of section 10-76d of the general statutes is
repealed and the following is substituted in lieu thereof (Effective July
1, 2017):

(a) (1) In accordance with the regulations and procedures
established by the Commissioner of Education and approved by the
State Board of Education, each local or regional board of education shall provide the professional services requisite to identification of children requiring special education, identify each such child within its jurisdiction, determine the eligibility of such children for special education pursuant to sections 10-76a to 10-76h, inclusive, prescribe appropriate educational programs for eligible children, maintain a record thereof and make such reports as the commissioner may require. No child may be required to obtain a prescription for a substance covered by the Controlled Substances Act, 21 USC 801 et seq., as amended from time to time, as a condition of attending school, receiving an evaluation under section 10-76ff or receiving services pursuant to sections 10-76a to 10-76h, inclusive, or the Individuals with Disabilities Education Act, 20 USC 1400 et seq., as amended from time to time.

(2) Not later than July 1, 2017, each local and regional board of education shall (A) enroll as a provider in the state medical assistance program, (B) participate in the Medicaid School Based Child Health Program administered by the Department of Social Services, and (C) submit billable service information electronically to the Department of Social Services, or its billing agent.

(3) Any local or regional board of education may enter into an agreement with a third-party vendor to comply with the requirements of subdivision (2) of this subsection. Such agreement may provide that costs for services provided on behalf of a local or regional board of education shall be paid from the grant received pursuant to subdivision (5) of this subsection and shall be contingent on receipt of funds from such grant in an amount sufficient to cover the cost of providing such service.

[(2) Any] (4) Each local or regional board of education, through the planning and placement team established in accordance with regulations adopted by the State Board of Education under this section, [may] shall determine a child's Medicaid enrollment status.
determining Medicaid enrollment status, the planning and placement team shall: (A) Inquire of the parents or guardians of each such child whether the child is enrolled in or may be eligible for Medicaid; and (B) if the child may be eligible for Medicaid, (i) request that the parent or guardian of the child apply for Medicaid, and (ii) comply with parental consent and written notification requirements under 34 CFR 300.154, as amended from time to time, prior to billing for services under the Medicaid School Based Child Health Program administered by the Department of Social Services. For the purpose of determining Medicaid rates for Medicaid eligible special education and related services based on a representative cost sampling method, the board of education shall make available documentation of the provision and costs of Medicaid eligible special education and related services for any students receiving such services, regardless of an individual student's Medicaid enrollment status, to the Commissioner of Social Services or to the commissioner's authorized agent at such time and in such manner as prescribed. For the purpose of determining Medicaid rates for Medicaid eligible special education and related services based on an actual cost method, the local or regional board of education shall submit documentation of the costs and utilization of Medicaid eligible special education and related services for all students receiving such services to the Commissioner of Social Services or to the commissioner's authorized agent at such time and in such manner as prescribed. The commissioner or such agent may use information received from local or regional boards of education for the purposes of [(i)] (I) ascertaining students' Medicaid eligibility status, [(ii)] (II) submitting Medicaid claims, [(iii)] (III) complying with state and federal audit requirements, and [(iv)] (IV) determining Medicaid rates for Medicaid eligible special education and related services. No child shall be denied special education and related services in the event the parent or guardian refuses to apply for Medicaid.

[(3)] (5) Beginning with the fiscal year ending June 30, 2004, the Commissioner of Social Services shall make grant payments to local or
regional boards of education in amounts representing fifty per cent of the federal portion of Medicaid claims processed for Medicaid eligible special education and related services provided to Medicaid eligible students in the school district. Beginning with the fiscal year ending June 30, 2009, the commissioner shall exclude any enhanced federal medical assistance percentages in calculating the federal portion of such Medicaid claims processed. Such grant payments shall be made on at least a quarterly basis and may represent estimates of amounts due to local or regional boards of education. Any grant payments made on an estimated basis, including payments made by the Department of Education for the fiscal years prior to the fiscal year ending June 30, 2000, shall be subsequently reconciled to grant amounts due based upon filed and accepted Medicaid claims and Medicaid rates. If, upon review, it is determined that a grant payment or portion of a grant payment was made for ineligible or disallowed Medicaid claims, the local or regional board of education shall reimburse the Department of Social Services for any grant payment amount received based upon ineligible or disallowed Medicaid claims.

Pursuant to federal law, the Commissioner of Social Services, as the state's Medicaid agent, shall determine rates for Medicaid eligible special education and related services pursuant to subdivision [(2)]((4) of this subsection. The Commissioner of Social Services may request and the Commissioner of Education and towns and regional school districts shall provide information as may be necessary to set such rates.

Based on school district special education and related services expenditures, the state's Medicaid agent shall report and certify to the federal Medicaid authority the state match required by federal law to obtain Medicaid reimbursement of eligible special education and related services costs.

Payments received pursuant to this section shall be paid to the local or regional board of education which has incurred such costs.
in addition to the funds appropriated by the town to such board for
the current fiscal year.

[(7)] (9) The planning and placement team shall, in accordance with
the provisions of the Individuals With Disabilities Education Act, 20
USC 1400, et seq., as amended from time to time, develop and update
annually a statement of transition service needs for each child
requiring special education.

[(8)] (10) (A) Each local and regional board of education responsible
for providing special education and related services to a child or pupil
shall notify the parent or guardian of a child who requires or who may
require special education, a pupil if such pupil is an emancipated
minor or eighteen years of age or older who requires or who may
require special education or a surrogate parent appointed pursuant to
section 10-94g, in writing, at least five school days before such board
proposes to, or refuses to, initiate or change the child's or pupil's
identification, evaluation or educational placement or the provision of
a free appropriate public education to the child or pupil.

(B) Upon request by a parent, guardian, pupil or surrogate parent,
the responsible local or regional board of education shall provide such
parent, guardian, pupil or surrogate parent an opportunity to meet
with a member of the planning and placement team designated by
such board prior to the referral planning and placement team meeting
at which the assessments and evaluations of the child or pupil who
requires or may require special education is presented to such parent,
guardian, pupil or surrogate parent for the first time. Such meeting
shall be for the sole purpose of discussing the planning and placement
team process and any concerns such parent, guardian, pupil or
surrogate parent has regarding the child or pupil who requires or may
require special education.

(C) Such parent, guardian, pupil or surrogate parent shall (i) be
given at least five school days' prior notice of any planning and
placement team meeting conducted for such child or pupil, (ii) have the right to be present at and participate in all portions of such meeting at which an educational program for such child or pupil is developed, reviewed or revised, and (iii) have the right to have advisors of such person's own choosing and at such person's own expense, and to have the school paraprofessional assigned to such child or pupil, if any, to be present at and to participate in all portions of such meeting at which an educational program for such child or pupil is developed, reviewed or revised.

(D) Immediately upon the formal identification of any child as a child requiring special education and at each planning and placement team meeting for such child, the responsible local or regional board of education shall inform the parent or guardian of such child or surrogate parent or, in the case of a pupil who is an emancipated minor or eighteen years of age or older, the pupil of (i) the laws relating to special education, (ii) the rights of such parent, guardian, surrogate parent or pupil under such laws and the regulations adopted by the State Board of Education relating to special education, including the right of a parent, guardian or surrogate parent to (I) withhold from enrolling such child in kindergarten, in accordance with the provisions of section 10-184, and (II) have advisors and the school paraprofessional assigned to such child or pupil to be present at, and to participate in, all portions of such meeting at which an educational program for such child or pupil is developed, reviewed or revised, in accordance with the provisions of subparagraph (C) of this subdivision, and (iii) any relevant information and resources relating to individualized education programs created by the Department of Education, including, but not limited to, information relating to transition resources and services for high school students. If such parent, guardian, surrogate parent or pupil does not attend a planning and placement team meeting, the responsible local or regional board of education shall mail such information to such person.

(E) Each local and regional board of education shall have in effect at
the beginning of each school year an educational program for each child or pupil who has been identified as eligible for special education.

(F) At each initial planning and placement team meeting for a child or pupil, the responsible local or regional board of education shall inform the parent, guardian, surrogate parent or pupil of the laws relating to physical restraint and seclusion pursuant to section 10-236b and the rights of such parent, guardian, surrogate parent or pupil under such laws and the regulations adopted by the State Board of Education relating to physical restraint and seclusion.

(G) Upon request by a parent, guardian, pupil or surrogate parent, the responsible local or regional board of education shall provide the results of the assessments and evaluations used in the determination of eligibility for special education for a child or pupil to such parent, guardian, surrogate parent or pupil at least three school days before the referral planning and placement team meeting at which such results of the assessments and evaluations will be discussed for the first time.

[(9)] (11) Notwithstanding any provision of the general statutes, for purposes of Medicaid reimbursement, when recommended by the planning and placement team and specified on the individualized education program, a service eligible for reimbursement under the Medicaid program shall be deemed to be authorized by a practitioner of the healing arts under 42 CFR 440.130, provided such service is recommended by an appropriately licensed or certified individual and is within the individual's scope of practice. Certain items of durable medical equipment, recommended pursuant to the provisions of this subdivision, may be subject to prior authorization requirements established by the Commissioner of Social Services. Diagnostic and evaluation services eligible for reimbursement under the Medicaid program and recommended by the planning and placement team shall also be deemed to be authorized by a practitioner of the healing arts under 42 CFR 440.130 provided such services are recommended by an
appropriately licensed or certified individual and are within the individual's scope of practice.

[(10) (12)] The Commissioner of Social Services shall implement the policies and procedures necessary for the purposes of this subsection while in the process of adopting such policies and procedures in regulation form, provided notice of intent to adopt the regulations is published in the Connecticut Law Journal within twenty days of implementing the policies and procedures. Such policies and procedures shall be valid until the time final regulations are effective.

Sec. 18. Subsection (d) of section 10-76d of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2017):

(d) To meet its obligations under sections 10-76a to 10-76g, inclusive, any local or regional board of education may make agreements with another such board or subject to the consent of the parent or guardian of any child affected thereby, make agreements with any private school or with any public or private agency or institution, including a group home to provide the necessary programs or services, but no expenditures made pursuant to a contract with a private school, agency or institution for such special education shall be paid under the provisions of section 10-76g, unless (1) such contract includes a description of the educational program and other treatment the child is to receive, a statement of minimal goals and objectives which it is anticipated such child will achieve and an estimated time schedule for returning the child to the community or transferring such child to another appropriate facility, (2) subject to the provisions of this subsection, the educational needs of the child for whom such special education is being provided cannot be met by public school arrangements in the opinion of the commissioner who, before granting approval of such contract for purposes of payment, shall consider such factors as the particular needs of the child, the appropriateness and efficacy of the program offered by such private school, agency or
institution, and the economic feasibility of comparable alternatives, and (3) commencing with the 1987-1988 school year and for each school year thereafter, each such private school, agency or institution has been approved for special education by the Commissioner of Education or by the appropriate agency for facilities located out of state, except as provided in subsection (b) of this section. Notwithstanding the provisions of subdivision (2) of this subsection or any regulations adopted by the State Board of Education setting placement priorities, placements pursuant to this section and payments under section 10-76g may be made pursuant to such a contract if the public arrangements are more costly than the private school, institution or agency, provided the private school, institution or agency meets the educational needs of the child and its program is appropriate and efficacious. Notwithstanding the provisions of this subsection to the contrary, nothing in this subsection shall (A) require the removal of a child from a nonapproved facility if the child was placed there prior to July 7, 1987, pursuant to the determination of a planning and placement team that such a placement was appropriate and such placement was approved by the Commissioner of Education, or (B) prohibit the placement of a child at a nonapproved facility if a planning and placement team determines prior to July 7, 1987, that the child be placed in a nonapproved facility for the 1987-1988 school year. Each child placed in a nonapproved facility as described in subparagraphs (A) and (B) of subdivision (3) of this subsection may continue at the facility provided the planning and placement team or hearing officer appointed pursuant to section 10-76h determines that the placement is appropriate. Expenditures incurred by any local or regional board of education to maintain children in nonapproved facilities as described in said subparagraphs (A) and (B) shall be paid pursuant to the provisions of section 10-76g. Any local or regional board of education may enter into a contract with the owners or operators of any sheltered workshop or rehabilitation center for provision of an education occupational training program for children requiring special education who are at least sixteen years of age,
provided such workshop or institution shall have been approved by
the appropriate state agency. Whenever any child is identified by a
local or regional board of education as a child requiring special
education and [said] such board of education determines that the
requirements for special education could be met by a program
provided within the district or by agreement with another board of
education except for the child's need for services other than
educational services such as medical, psychiatric or institutional care
or services, [said] such board of education may meet its obligation to
furnish special education for such child by paying the reasonable cost
of special education instruction in a private school, hospital or other
institution provided [said] such board of education or the
commissioner concurs that placement in such institution is necessary
and proper and no state institution is available to meet such child's
needs. Any such private school, hospital or other institution receiving
such reasonable cost of special education instruction by such board of
education shall submit all required documentation to such board of
education for purposes of submitting claims to the Medicaid School
Based Child Health Program administered by the Department of Social
Services.

Sec. 19. Subsection (d) of section 10-76b of the general statutes is
repealed and the following is substituted in lieu thereof (Effective July
1, 2017):

(d) The State Board of Education shall ensure that local and regional
boards of education are providing the information described in
subparagraph (D) of subdivision [(8)] (10) of subsection (a) of section
10-76d, as amended by this act, to the parent or guardian of a child
requiring special education or the surrogate parent appointed
pursuant to section 10-94g and, in the case of a pupil who is an
emancipated minor or eighteen years of age or older, the pupil.

Sec. 20. Section 17b-221b of the general statutes is repealed and the
following is substituted in lieu thereof (Effective July 1, 2017):
For the fiscal year ending June 30, 2002, and each fiscal year thereafter, all federal matching funds received by the Department of Social Services for special-education-related services rendered in schools pursuant to section 10-76d, as amended by this act, shall be deposited in the General Fund and credited to a nonlapsing account in the Department of Social Services. Sixty per cent of such funds shall be expended by the Department of Social Services for payment of grants to towns pursuant to subdivision [(3)] (5) of subsection (a) of section 10-76d, as amended by this act, and the remaining funds shall be available for expenditure by the Department of Social Services for the payment of Medicaid claims.

Sec. 21. Subsections (a) and (b) of section 17b-238 of the general statutes are repealed and the following is substituted in lieu thereof (Effective from passage):

(a) [The Commissioner of Social Services shall establish annually the cost of services for which payment is to be made under the provisions of section 17b-239.] All hospitals receiving state aid shall submit their cost data under oath on forms approved by the [commissioner] Commissioner of Social Services. The commissioner may adopt, in accordance with the provisions of chapter 54, regulations concerning the submission of data by [institutions and agencies] providers to which payments are to be made under sections 17b-239, 17b-243, 17b-244, as amended by this act, 17b-340, as amended by this act, 17b-341 and section 17b-343, and the defining of policies utilized by the commissioner in establishing rates under said sections, which data and policies are necessary for the efficient administration of said sections. The commissioner shall provide, upon request, a statement of interpretation of the Medicaid cost-related reimbursement system regulations for long-term care facilities reimbursed under section 17b-340, as amended by this act, concerning allowable and unallowable costs or expenditures. Such statement of interpretation shall not be construed to constitute a regulation violative of chapter 54. Failure of such statement of interpretation to address a specific unallowable cost
or expenditure fact pattern shall in no way prevent the commissioner
from enforcing all applicable laws and regulations.

(b) Any [institution or agency] provider to which payments are to
be made under [sections] section 17b-239, [to 17b-246, inclusive, and
sections] 17b-244, 17b-244a or 17b-340, [and 17b-343 which] as
amended by this act, that is aggrieved by any decision of [said] the
commissioner in setting or revising a provider-specific rate that applies
to such provider or in taking an action regarding such provider for
which an appeal is required pursuant to 42 CFR 431, Subpart D, may,
within ten days after written notice thereof from the commissioner,
obtain, by written request to the commissioner, a rehearing on all items
of aggrievement [. On and after July 1, 1996, a] involving said
provider-specific rate or said action for which an appeal is required
pursuant to 42 CFR 431, Subpart D. A rehearing shall be held by the
commissioner or his designee, provided a detailed written description
of all such items is filed within ninety days of written notice of the
commissioner's decision. The rehearing shall be held within thirty days
of the filing of the detailed written description of each specific item of
aggrievement. The commissioner shall issue a final decision within
sixty days of the close of evidence or the date on which final briefs are
filed, whichever occurs later. Any designee of the commissioner who
presides over such rehearing shall be impartial and shall not be
employed within the Department of Social Services office of certificate
of need and rate setting. Any such items not resolved at such rehearing
to the satisfaction of either such [institution or agency] provider or said
commissioner shall be submitted to binding arbitration to an
arbitration board consisting of one member appointed by the
[institution or agency] provider, one member appointed by the
commissioner and one member appointed by the Chief Court
Administrator from among the retired judges of the Superior Court,
which retired judge shall be compensated for his services on such
board in the same manner as a state referee is compensated for his
services under section 52-434. The proceedings of the arbitration board
and any decisions rendered by such board shall be conducted in accordance with the provisions of the Social Security Act, 49 Stat. 620 (1935), 42 USC 1396, as amended from time to time, and chapter 54. For purposes of this subsection, "provider-specific rate" means a rate or other payment methodology that applies only to one provider and was set or revised by the department based on cost or other information specific to such provider. "Provider-specific rate" does not include any rate or payment methodology that applies to more than one provider or that applies statewide to any category of providers.

Sec. 22. Section 17b-242 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(a) The Department of Social Services shall determine the rates to be paid to home health care agencies and homemaker-home health aide agencies by the state or any town in the state for persons aided or cared for by the state or any such town. [For the period from February 1, 1991, to January 31, 1992, inclusive, payment for each service to the state shall be based upon the rate for such service as determined by the Office of Health Care Access, except that for those providers whose Medicaid rates for the year ending January 31, 1991, exceed the median rate, no increase shall be allowed. For those providers whose rates for the year ending January 31, 1991, are below the median rate, increases shall not exceed the lower of the prior rate increased by the most recent annual increase in the consumer price index for urban consumers or the median rate. In no case shall any such rate exceed the eightieth percentile of rates in effect January 31, 1991, nor shall any rate exceed the charge to the general public for similar services. Rates effective February 1, 1992, shall be based upon rates as determined by the Office of Health Care Access, except that increases shall not exceed the prior year's rate increased by the most recent annual increase in the consumer price index for urban consumers and rates effective February 1, 1992, shall remain in effect through June 30, 1993. Rates effective July 1, 1993, shall be based upon rates as determined by the Office of Health Care Access except if the Medicaid rates for any...
service for the period ending June 30, 1993, exceed the median rate for
such service, the increase effective July 1, 1993, shall not exceed one
per cent. If the Medicaid rate for any service for the period ending June
30, 1993, is below the median rate, the increase effective July 1, 1993,
shall not exceed the lower of the prior rate increased by one and one-
half times the most recent annual increase in the consumer price index
for urban consumers or the median rate plus one per cent. The
Commissioner of Social Services shall establish a fee schedule for home
health services to be effective on and after July 1, 1994. The
commissioner may annually modify such fee schedule if such
modification is needed to ensure that the conversion to an
administrative services organization is cost neutral to home health care
agencies and homemaker-home health aide agencies in the aggregate
and ensures patient access. Utilization may be a factor in determining
cost neutrality. The commissioner shall increase the fee schedule for
home health services provided under the Connecticut home-care
program for the elderly established under section 17b-342, effective
July 1, 2000, by two per cent over the fee schedule for home health
services for the previous year.] The commissioner may increase any fee
payable to a home health care agency or homemaker-home health aide
agency upon the application of such an agency evidencing
extraordinary costs related to (1) serving persons with AIDS; (2) high-
risk maternal and child health care; (3) escort services; or (4) extended
hour services. In no case shall any rate or fee exceed the charge to the
general public for similar services. [A home health care agency or
homemaker-home health aide agency which, due to any material
change in circumstances, is aggrieved by a rate determined pursuant
to this subsection may, within ten days of receipt of written notice of
such rate from the Commissioner of Social Services, request in writing
a hearing on all items of aggrievement. The commissioner shall, upon
the receipt of all documentation necessary to evaluate the request,
determine whether there has been such a change in circumstances and
shall conduct a hearing if appropriate.] The Commissioner of Social
Services shall adopt regulations, in accordance with chapter 54, to
implement the provisions of this subsection. The commissioner may
implement policies and procedures to carry out the provisions of this
subsection while in the process of adopting regulations, provided
notice of intent to adopt the regulations is published [in the
Connecticut Law Journal] on the department's Internet web site and
the eRegulations System not later than twenty days after the date of
implementing the policies and procedures. [Such policies and
procedures shall be valid for not longer than nine months.]

(b) The Department of Social Services shall monitor the rates
charged by home health care agencies and homemaker-home health
aide agencies. Such agencies shall file annual cost reports and service
charge information with the department.

(c) The home health services fee schedule shall include a fee for the
administration of medication, which shall apply when the purpose of a
nurse's visit is limited to the administration of medication.
Administration of medication may include, but is not limited to, blood
pressure checks, glucometer readings, pulse rate checks and similar
indicators of health status. The fee for medication administration shall
include administration of medications while the nurse is present, the
pre-pouring of additional doses that the client will self-administer at a
later time and the teaching of self-administration. The department
shall not pay for medication administration in addition to any other
nursing service at the same visit. The department may establish prior
authorization requirements for this service. Before implementing such
change, the Commissioner of Social Services shall consult with the
chairpersons of the joint standing committees of the General Assembly
having cognizance of matters relating to public health and human
services. The commissioner shall monitor Medicaid home health care
savings achieved through the implementation of nurse delegation of
medication administration pursuant to section 19a-492e. If, by January
1, 2016, the commissioner determines that the rate of savings is not
adequate to meet the annualized savings assumed in the budget for the
biennium ending June 30, 2017, the department may reduce rates for
medication administration as necessary to achieve the savings assumed in the budget. Prior to any rate reduction, the department shall report to the joint standing committees of the General Assembly having cognizance of matters relating to appropriations and the budgets of state agencies and human services provider specific cost and utilization trend data for those patients receiving medication administration. Should the department determine it necessary to reduce medication administration rates under this section, it shall examine the possibility of establishing a separate Medicaid supplemental rate or a pay-for-performance program for those providers, as determined by the commissioner, who have established successful nurse delegation programs.

(d) The home health services fee schedule established pursuant to subsection (c) of this section shall include rates for psychiatric nurse visits.

(e) The Department of Social Services, when processing or auditing claims for reimbursement submitted by home health care agencies and homemaker-home health aide agencies shall, in accordance with the provisions of chapter 15, accept electronic records and records bearing the electronic signature of a licensed physician or licensed practitioner of a healthcare profession that has been submitted to the home health care agency or homemaker home health aide agency.

(f) If the electronic record or signature that has been transmitted to a home health care agency or homemaker-home health aide agency is illegible or the department is unable to determine the validity of such electronic record or signature, the department shall review additional evidence of the accuracy or validity of the record or signature, including, but not limited to, (1) the original of the record or signature, or (2) a written statement, made under penalty of false statement, from (A) the licensed physician or licensed practitioner of a health care profession who signed such record, or (B) if such licensed physician or licensed practitioner of a health care profession is unavailable, the
medical director of the agency verifying the accuracy or validity of such record or signature, and the department shall make a determination whether the electronic record or signature is valid.

(g) The Department of Social Services, when auditing claims submitted by home health care agencies and homemaker-home health aide agencies, shall consider any signature from a licensed physician or licensed practitioner of a health care profession that may be required on a plan of care for home health services, to have been provided in timely fashion if (1) the document bearing such signature was signed prior to the time when such agency seeks reimbursement from the department for services provided, and (2) verbal or telephone orders from the licensed physician or licensed practitioner of a health care profession were received prior to the commencement of services covered by the plan of care and such orders were subsequently documented. Nothing in this subsection shall be construed as limiting the powers of the Commissioner of Public Health to enforce the provisions of sections 19-13-D73 and 19-13-D74 of the regulations of Connecticut state agencies and 42 CFR 484.18(c).

(h) For purposes of this section, "licensed practitioner of a healthcare profession" has the same meaning as "licensed practitioner" in section 21a-244a.

Sec. 23. (NEW) (Effective from passage) For purposes of this section, "covenant not to compete" means any contract or agreement that restricts the right of an individual to provide homemaker, companion or home health services (1) in any geographic area of the state for any period of time, or (2) to a specific individual. Any covenant not to compete is against public policy and shall be void and unenforceable.

Sec. 24. Subsection (a) of section 17b-282c of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2017):

(a) All nonemergency dental services provided under the
Department of Social Services' dental programs, as described in section 17b-282b, shall be subject to prior authorization. Nonemergency services that are exempt from the prior authorization process shall include diagnostic, prevention, basic restoration procedures and nonsurgical extractions that are consistent with standard and reasonable dental practices. Payment for nonemergency dental services shall not exceed one thousand dollars per fiscal year for an individual adult, subject to the provisions of section 17b-259b. Dental benefit limitations shall apply to each client regardless of the number of providers serving the client. The commissioner may recoup payments for services that are determined not to be for an emergency condition or otherwise in excess of what is medically necessary. The commissioner shall periodically, but not less than quarterly, review payments for emergency dental services and basic restoration procedures for appropriateness of payment. For the purposes of this section, "emergency condition" means a dental condition manifesting itself by acute symptoms of sufficient severity, including severe pain, such that a prudent layperson, who possesses an average knowledge of health and medicine, could reasonably expect the absence of immediate dental attention to result in placing the health of the individual, or with respect to a pregnant woman, the health of the woman or her unborn child, in serious jeopardy, cause serious impairment to body functions or cause serious dysfunction of any body organ or part.

Sec. 25. Subdivision (1) of subsection (i) of section 17b-342 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2017):

(i) (1) On and after July 1, [2015] 2017, the Commissioner of Social Services shall, within available appropriations, administer a state-funded portion of the program for persons (A) who are sixty-five years of age and older; (B) who are inappropriately institutionalized or at risk of inappropriate institutionalization; (C) whose income is less than or equal to the amount allowed under subdivision (3) of subsection (a)
of this section; [and] (D) whose assets, if single, do not exceed one hundred fifty per cent of the federal minimum community spouse protected amount pursuant to 42 USC 1396r-5(f)(2) or, if married, the couple's assets do not exceed two hundred per cent of said community spouse protected amount; [. For program applications received by the Department of Social Services for the fiscal years ending June 30, 2016, and June 30, 2017, only persons] and (E) who require the level of care provided in a nursing home, [shall be eligible for the state-funded portion of the program, except for] in addition to (i) persons residing in affordable housing under the assisted living demonstration project established pursuant to section 17b-347e; and (ii) persons who are enrolled in the program on June 30, 2017, who are otherwise eligible in accordance with this section. For the fiscal years ending June 30, 2018, and June 30, 2019, the number of persons enrolled in the state-funded portion of the program who require the level of care provided in a nursing home shall be limited to the number enrolled on June 30, 2017, who require the level of care provided in a nursing home.

Sec. 26. (NEW) (Effective from passage) If any family planning clinic is no longer eligible to receive federal matching funds or if federal law restricts the rights of a medical assistance recipient to obtain services from a family planning clinic, services that are otherwise covered by the medical assistance program may be funded by the state. In order to receive state funding, family planning clinics must meet the Department of Social Services' requirements for participation and enrollment in the medical assistance program. Family planning clinics shall continue to be reimbursed by the department in accordance with the department's family planning clinic fee schedule.

Sec. 27. Subdivision (4) of subsection (f) of section 17b-340 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2017):

(4) For the fiscal year ending June 30, 1992, (A) no facility shall receive a rate that is less than the rate it received for the rate year
ending June 30, 1991; (B) no facility whose rate, if determined pursuant to this subsection, would exceed one hundred twenty per cent of the state-wide median rate, as determined pursuant to this subsection, shall receive a rate which is five and one-half per cent more than the rate it received for the rate year ending June 30, 1991; and (C) no facility whose rate, if determined pursuant to this subsection, would be less than one hundred twenty per cent of the state-wide median rate, as determined pursuant to this subsection, shall receive a rate which is six and one-half per cent more than the rate it received for the rate year ending June 30, 1991. For the fiscal year ending June 30, 1993, no facility shall receive a rate that is less than the rate it received for the rate year ending June 30, 1992, or six per cent more than the rate it received for the rate year ending June 30, 1992. For the fiscal year ending June 30, 1994, no facility shall receive a rate that is less than the rate it received for the rate year ending June 30, 1993, or six per cent more than the rate it received for the rate year ending June 30, 1993. For the fiscal year ending June 30, 1995, no facility shall receive a rate that is more than five per cent less than the rate it received for the rate year ending June 30, 1994, or six per cent more than the rate it received for the rate year ending June 30, 1994. For the fiscal years ending June 30, 1996, and June 30, 1997, no facility shall receive a rate that is more than three per cent more than the rate it received for the prior rate year. For the fiscal year ending June 30, 1998, a facility shall receive a rate increase that is not more than two per cent more than the rate that the facility received in the prior year. For the fiscal year ending June 30, 1999, a facility shall receive a rate increase that is not more than three per cent more than the rate that the facility received in the prior year and that is not less than one per cent more than the rate that the facility received in the prior year, exclusive of rate increases associated with a wage, benefit and staffing enhancement rate adjustment added for the period from April 1, 1999, to June 30, 1999, inclusive. For the fiscal year ending June 30, 2000, each facility, except a facility with an interim rate or replaced interim rate for the fiscal year ending June 30, 1999, and a facility having a certificate of need or other agreement
specifying rate adjustments for the fiscal year ending June 30, 2000, shall receive a rate increase equal to one per cent applied to the rate the facility received for the fiscal year ending June 30, 1999, exclusive of the facility's wage, benefit and staffing enhancement rate adjustment. For the fiscal year ending June 30, 2000, no facility with an interim rate, replaced interim rate or scheduled rate adjustment specified in a certificate of need or other agreement for the fiscal year ending June 30, 2000, shall receive a rate increase that is more than one per cent more than the rate the facility received in the fiscal year ending June 30, 1999. For the fiscal year ending June 30, 2001, each facility, except a facility with an interim rate or replaced interim rate for the fiscal year ending June 30, 2000, and a facility having a certificate of need or other agreement specifying rate adjustments for the fiscal year ending June 30, 2001, shall receive a rate increase equal to two per cent applied to the rate the facility received for the fiscal year ending June 30, 2000, subject to verification of wage enhancement adjustments pursuant to subdivision (14) of this subsection. For the fiscal year ending June 30, 2001, no facility with an interim rate, replaced interim rate or scheduled rate adjustment specified in a certificate of need or other agreement for the fiscal year ending June 30, 2001, shall receive a rate increase that is more than two per cent more than the rate the facility received for the fiscal year ending June 30, 2000. For the fiscal year ending June 30, 2002, each facility shall receive a rate that is two and one-half per cent more than the rate the facility received in the prior fiscal year. For the fiscal year ending June 30, 2003, each facility shall receive a rate that is two per cent more than the rate the facility received in the prior fiscal year, except that such increase shall be effective January 1, 2003, and such facility rate in effect for the fiscal year ending June 30, 2002, shall be paid for services provided until December 31, 2002, except any facility that would have been issued a lower rate effective July 1, 2002, than for the fiscal year ending June 30, 2002, due to interim rate status or agreement with the department shall be issued such lower rate effective July 1, 2002, and have such rate increased two per cent effective June 1, 2003. For the fiscal year ending
June 30, 2004, rates in effect for the period ending June 30, 2003, shall remain in effect, except any facility that would have been issued a lower rate effective July 1, 2003, than for the fiscal year ending June 30, 2003, due to interim rate status or agreement with the department shall be issued such lower rate effective July 1, 2003. For the fiscal year ending June 30, 2005, rates in effect for the period ending June 30, 2004, shall remain in effect until December 31, 2004, except any facility that would have been issued a lower rate effective July 1, 2004, than for the fiscal year ending June 30, 2004, due to interim rate status or agreement with the department shall be issued such lower rate effective July 1, 2004. Effective January 1, 2005, each facility shall receive a rate that is one per cent greater than the rate in effect December 31, 2004. Effective upon receipt of all the necessary federal approvals to secure federal financial participation matching funds associated with the rate increase provided in this subdivision, but in no event earlier than July 1, 2005, and provided the user fee imposed under section 17b-320 is required to be collected, for the fiscal year ending June 30, 2006, the department shall compute the rate for each facility based upon its 2003 cost report filing or a subsequent cost year filing for facilities having an interim rate for the period ending June 30, 2005, as provided under section 17-311-55 of the regulations of Connecticut state agencies. For each facility not having an interim rate for the period ending June 30, 2005, the rate for the period ending June 30, 2006, shall be determined beginning with the higher of the computed rate based upon its 2003 cost report filing or the rate in effect for the period ending June 30, 2005. Such rate shall then be increased by eleven dollars and eighty cents per day except that in no event shall the rate for the period ending June 30, 2006, be thirty-two dollars more than the rate in effect for the period ending June 30, 2005, and for any facility with a rate below one hundred ninety-five dollars per day for the period ending June 30, 2005, such rate for the period ending June 30, 2006, shall not be greater than two hundred seventeen dollars and forty-three cents per day and for any facility with a rate equal to or greater than one hundred ninety-five dollars per day for
the period ending June 30, 2005, such rate for the period ending June 30, 2006, shall not exceed the rate in effect for the period ending June 30, 2005, increased by eleven and one-half per cent. For each facility with an interim rate for the period ending June 30, 2005, the interim replacement rate for the period ending June 30, 2006, shall not exceed the rate in effect for the period ending June 30, 2005, increased by eleven dollars and eighty cents per day plus the per day cost of the user fee payments made pursuant to section 17b-320 divided by annual resident service days, except for any facility with an interim rate below one hundred ninety-five dollars per day for the period ending June 30, 2005, the interim replacement rate for the period ending June 30, 2006, shall not be greater than two hundred seventeen dollars and forty-three cents per day and for any facility with an interim rate equal to or greater than one hundred ninety-five dollars per day for the period ending June 30, 2005, the interim replacement rate for the period ending June 30, 2006, shall not exceed the rate in effect for the period ending June 30, 2005, increased by eleven and one-half per cent. Such July 1, 2005, rate adjustments shall remain in effect unless (i) the federal financial participation matching funds associated with the rate increase are no longer available; or (ii) the user fee created pursuant to section 17b-320 is not in effect. For the fiscal year ending June 30, 2007, each facility shall receive a rate that is three per cent greater than the rate in effect for the period ending June 30, 2006, except any facility that would have been issued a lower rate effective July 1, 2006, than for the rate period ending June 30, 2006, due to interim rate status or agreement with the department, shall be issued such lower rate effective July 1, 2006. For the fiscal year ending June 30, 2008, each facility shall receive a rate that is two and nine-tenths per cent greater than the rate in effect for the period ending June 30, 2007, except any facility that would have been issued a lower rate effective July 1, 2007, than for the rate period ending June 30, 2007, due to interim rate status or agreement with the department, shall be issued such lower rate effective July 1, 2007. For the fiscal year ending June 30, 2009, rates in effect for the period ending June 30, 2008, shall
remain in effect until June 30, 2009, except any facility that would have been issued a lower rate for the fiscal year ending June 30, 2009, due to interim rate status or agreement with the department shall be issued such lower rate. For the fiscal years ending June 30, 2010, and June 30, 2011, rates in effect for the period ending June 30, 2009, shall remain in effect until June 30, 2011, except any facility that would have been issued a lower rate for the fiscal year ending June 30, 2010, or the fiscal year ending June 30, 2011, due to interim rate status or agreement with the department, shall be issued such lower rate. For the fiscal years ending June 30, 2012, and June 30, 2013, rates in effect for the period ending June 30, 2011, shall remain in effect until June 30, 2013, except any facility that would have been issued a lower rate for the fiscal year ending June 30, 2012, or the fiscal year ending June 30, 2013, due to interim rate status or agreement with the department, shall be issued such lower rate. For the fiscal year ending June 30, 2014, the department shall determine facility rates based upon 2011 cost report filings subject to the provisions of this section and applicable regulations except: (I) A ninety per cent minimum occupancy standard shall be applied; (II) no facility shall receive a rate that is higher than the rate in effect on June 30, 2013; and (III) no facility shall receive a rate that is more than four per cent lower than the rate in effect on June 30, 2013, except that any facility that would have been issued a lower rate effective July 1, 2013, than for the rate period ending June 30, 2013, due to interim rate status or agreement with the department, shall be issued such lower rate effective July 1, 2013. For the fiscal year ending June 30, 2015, rates in effect for the period ending June 30, 2014, shall remain in effect until June 30, 2015, except any facility that would have been issued a lower rate effective July 1, 2014, than for the rate period ending June 30, 2014, due to interim rate status or agreement with the department, shall be issued such lower rate effective July 1, 2014. For the fiscal years ending June 30, 2016, and June 30, 2017, rates shall not exceed those in effect for the period ending June 30, 2015, except the rate paid to a facility may be higher than the rate paid to the facility for the period ending June 30, 2015, if the commissioner provides, within
available appropriations, pro rata fair rent increases, which may, at the
discretion of the commissioner, include increases for facilities which
have undergone a material change in circumstances related to fair rent
additions or moveable equipment placed in service in cost report years
ending September 30, 2014, and September 30, 2015, and not otherwise
included in rates issued. For the fiscal years ending June 30, 2016, and
June 30, 2017, and each succeeding fiscal year, any facility that would
have been issued a lower rate, due to interim rate status, a change in
allowable fair rent or agreement with the department, shall be issued
such lower rate. For the fiscal year ending June 30, 2018, the
department shall determine facility rates based upon 2016 cost report
filings subject to the provisions of this section and applicable
regulations except no facility shall receive a rate that is higher than the
rate in effect on June 30, 2017, except the rate paid to a facility may be
higher than the rate paid to the facility for the period ending June 30,
2017, if the commissioner provides, within available appropriations,
pro rata fair rent increases, which may, at the discretion of the
commissioner, include increases for facilities which have undergone a
material change in circumstances related to fair rent additions or
moveable equipment placed in service in the cost report year ending
September 30, 2016 and not otherwise included in rates issued. For the
fiscal year ending June 30, 2019, no facility shall receive a rate that is
higher than the rate in effect on June 30, 2018, except the rate paid to a
facility may be higher than the rate paid to the facility for the period
ending June 30, 2018, if the commissioner provides, within available
appropriations, pro rata fair rent increases, which may, at the
discretion of the commissioner, include increases for facilities which
have undergone a material change in circumstances related to fair rent
additions or moveable equipment placed in service in the cost report
year ending September 30, 2017, and not otherwise included in rates
issued. The Commissioner of Social Services shall add fair rent
increases to any other rate increases established pursuant to this
subdivision for a facility which has undergone a material change in
circumstances related to fair rent, except for the fiscal years ending
June 30, 2010, June 30, 2011, and June 30, 2012, such fair rent increases shall only be provided to facilities with an approved certificate of need pursuant to section 17b-352, 17b-353, 17b-354 or 17b-355. For the fiscal year ending June 30, 2013, the commissioner may, within available appropriations, provide pro rata fair rent increases for facilities which have undergone a material change in circumstances related to fair rent additions placed in service in cost report years ending September 30, 2008, to September 30, 2011, inclusive, and not otherwise included in rates issued. For the fiscal years ending June 30, 2014, and June 30, 2015, the commissioner may, within available appropriations, provide pro rata fair rent increases, which may include moveable equipment at the discretion of the commissioner, for facilities which have undergone a material change in circumstances related to fair rent additions or moveable equipment placed in service in cost report years ending September 30, 2012, and September 30, 2013, and not otherwise included in rates issued. The commissioner shall add fair rent increases associated with an approved certificate of need pursuant to section 17b-352, 17b-353, 17b-354 or 17b-355. Interim rates may take into account reasonable costs incurred by a facility, including wages and benefits. Notwithstanding the provisions of this section, the Commissioner of Social Services may, subject to available appropriations, increase or decrease rates issued to licensed chronic and convalescent nursing homes and licensed rest homes with nursing supervision. Notwithstanding any provision of this section, the Commissioner of Social Services shall, effective July 1, 2015, within available appropriations, adjust facility rates in accordance with the application of standard accounting principles as prescribed by the commissioner, for each facility subject to subsection (a) of this section. Such adjustment shall provide a pro-rata increase based on direct and indirect care employee salaries reported in the 2014 annual cost report, and adjusted to reflect subsequent salary increases, to reflect reasonable costs mandated by collective bargaining agreements with certified collective bargaining agents, or otherwise provided by a facility to its employees. For purposes of this subsection, "employee"
shall not include a person employed as a facility's manager, chief
administrator, a person required to be licensed as a nursing home
administrator or any individual who receives compensation for
services pursuant to a contractual arrangement and who is not directly
employed by the facility. The commissioner may establish an upper
limit for reasonable costs associated with salary adjustments beyond
which the adjustment shall not apply. Nothing in this section shall
require the commissioner to distribute such adjustments in a way that
jeopardizes anticipated federal reimbursement. Facilities that receive
such adjustment but do not provide increases in employee salaries as
described in this subsection on or before July 31, 2015, may be subject
to a rate decrease in the same amount as the adjustment by the
commissioner. Of the amount appropriated for this purpose, no more
than nine million dollars shall go to increases based on reasonable
costs mandated by collective bargaining agreements.

Sec. 28. Subsection (g) of section 17b-340 of the general statutes is
repealed and the following is substituted in lieu thereof (Effective July
1, 2017):

(g) For the fiscal year ending June 30, 1993, any intermediate care
facility for individuals with intellectual disabilities with an operating
cost component of its rate in excess of one hundred forty per cent of
the median of operating cost components of rates in effect January 1, 1992, shall not receive an operating cost component increase. For the
fiscal year ending June 30, 1993, any intermediate care facility for
individuals with intellectual disabilities with an operating cost
component of its rate that is less than one hundred forty per cent of the
median of operating cost components of rates in effect January 1, 1992,
shall have an allowance for real wage growth equal to thirty per cent
of the increase determined in accordance with subsection (q) of section
17-311-52 of the regulations of Connecticut state agencies, provided
such operating cost component shall not exceed one hundred forty per
cent of the median of operating cost components in effect January 1, 1992. Any facility with real property other than land placed in service
prior to October 1, 1991, shall, for the fiscal year ending June 30, 1995,
receive a rate of return on real property equal to the average of the
rates of return applied to real property other than land placed in
service for the five years preceding October 1, 1993. For the fiscal year
ending June 30, 1996, and any succeeding fiscal year, the rate of return
on real property for property items shall be revised every five years.
The commissioner shall, upon submission of a request, allow actual
debt service, comprised of principal and interest, in excess of property
costs allowed pursuant to section 17-311-52 of the regulations of
Connecticut state agencies, provided such debt service terms and
amounts are reasonable in relation to the useful life and the base value
of the property. For the fiscal year ending June 30, 1995, and any
succeeding fiscal year, the inflation adjustment made in accordance
with subsection (p) of section 17-311-52 of the regulations of
Connecticut state agencies shall not be applied to real property costs.
For the fiscal year ending June 30, 1996, and any succeeding fiscal year,
the allowance for real wage growth, as determined in accordance with
subsection (q) of section 17-311-52 of the regulations of Connecticut
state agencies, shall not be applied. For the fiscal year ending June 30,
1996, and any succeeding fiscal year, no rate shall exceed three
hundred seventy-five dollars per day unless the commissioner, in
consultation with the Commissioner of Developmental Services,
determines after a review of program and management costs, that a
rate in excess of this amount is necessary for care and treatment of
facility residents. For the fiscal year ending June 30, 2002, rate period,
the Commissioner of Social Services shall increase the inflation
adjustment for rates made in accordance with subsection (p) of section
17-311-52 of the regulations of Connecticut state agencies to update
allowable fiscal year 2000 costs to include a three and one-half per cent
inflation factor. For the fiscal year ending June 30, 2003, rate period, the
commissioner shall increase the inflation adjustment for rates made in
accordance with subsection (p) of section 17-311-52 of the regulations
of Connecticut state agencies to update allowable fiscal year 2001 costs
to include a one and one-half per cent inflation factor, except that such
increase shall be effective November 1, 2002, and such facility rate in
effect for the fiscal year ending June 30, 2002, shall be paid for services
provided until October 31, 2002, except any facility that would have
been issued a lower rate effective July 1, 2002, than for the fiscal year
ending June 30, 2002, due to interim rate status or agreement with the
department shall be issued such lower rate effective July 1, 2002, and
have such rate updated effective November 1, 2002, in accordance with
applicable statutes and regulations. For the fiscal year ending June 30,
2004, rates in effect for the period ending June 30, 2003, shall remain in
effect, except any facility that would have been issued a lower rate
effective July 1, 2003, than for the fiscal year ending June 30, 2003, due
to interim rate status or agreement with the department shall be issued
such lower rate effective July 1, 2003. For the fiscal year ending June
30, 2005, rates in effect for the period ending June 30, 2004, shall
remain in effect until September 30, 2004. Effective October 1, 2004,
each facility shall receive a rate that is five per cent greater than the
rate in effect September 30, 2004. Effective upon receipt of all the
necessary federal approvals to secure federal financial participation
matching funds associated with the rate increase provided in
subdivision (4) of subsection (f) of this section, but in no event earlier
than October 1, 2005, and provided the user fee imposed under section
17b-320 is required to be collected, each facility shall receive a rate that
is four per cent more than the rate the facility received in the prior
fiscal year, except any facility that would have been issued a lower rate
effective October 1, 2005, than for the fiscal year ending June 30, 2005,
due to interim rate status or agreement with the department, shall be
issued such lower rate effective October 1, 2005. Such rate increase
shall remain in effect unless: (1) The federal financial participation
matching funds associated with the rate increase are no longer
available; or (2) the user fee created pursuant to section 17b-320 is not
in effect. For the fiscal year ending June 30, 2007, rates in effect for the
period ending June 30, 2006, shall remain in effect until September 30,
2006, except any facility that would have been issued a lower rate
effective July 1, 2006, than for the fiscal year ending June 30, 2006, due
to interim rate status or agreement with the department, shall be issued such lower rate effective July 1, 2006. Effective October 1, 2006, no facility shall receive a rate that is more than three per cent greater than the rate in effect for the facility on September 30, 2006, except any facility that would have been issued a lower rate effective October 1, 2006, due to interim rate status or agreement with the department, shall be issued such lower rate effective October 1, 2006. For the fiscal year ending June 30, 2008, each facility shall receive a rate that is two and nine-tenths per cent greater than the rate in effect for the period ending June 30, 2007, except any facility that would have been issued a lower rate effective July 1, 2007, than for the period ending June 30, 2007, due to interim rate status, or agreement with the department, shall be issued such lower rate effective July 1, 2007. For the fiscal year ending June 30, 2009, rates in effect for the period ending June 30, 2008, shall remain in effect until June 30, 2009, except any facility that would have been issued a lower rate for the fiscal year ending June 30, 2009, due to interim rate status or agreement with the department, shall be issued such lower rate. For the fiscal years ending June 30, 2010, and June 30, 2011, rates in effect for the period ending June 30, 2009, shall remain in effect until June 30, 2011, except any facility that would have been issued a lower rate for the fiscal year ending June 30, 2010, or the fiscal year ending June 30, 2011, due to interim rate status or agreement with the department, shall be issued such lower rate. For the fiscal year ending June 30, 2012, rates in effect for the period ending June 30, 2011, shall remain in effect until June 30, 2012, except any facility that would have been issued a lower rate for the fiscal year ending June 30, 2012, due to interim rate status or agreement with the department, shall be issued such lower rate. For the fiscal years ending June 30, 2014, and June 30, 2015, rates shall not exceed those in effect for the period ending June 30, 2013, except the rate paid to a facility may be higher than the rate paid to the facility for the period ending June 30, 2013, if a capital improvement approved by the Department of Developmental Services, in consultation with the Department of Social Services, for the health or safety of the residents was made to the
facility during the fiscal year ending June 30, 2014, or June 30, 2015, only to the extent such rate increases are within available appropriations. Any facility that would have been issued a lower rate for the fiscal year ending June 30, 2014, or the fiscal year ending June 30, 2015, due to interim rate status or agreement with the department, shall be issued such lower rate. For the fiscal years ending June 30, 2016, and June 30, 2017, rates shall not exceed those in effect for the period ending June 30, 2015, except the rate paid to a facility may be higher than the rate paid to the facility for the period ending June 30, 2015, if a capital improvement approved by the Department of Developmental Services, in consultation with the Department of Social Services, for the health or safety of the residents was made to the facility during the fiscal year ending June 30, 2016, or June 30, 2017, only to the extent such rate increases are within available appropriations. For the fiscal years ending June 30, 2016, and June 30, 2017, and each succeeding fiscal year, any facility that would have been issued a lower rate, due to interim rate status, a change in allowable fair rent or agreement with the department, shall be issued such lower rate. For the fiscal years ending June 30, 2018, and June 30, 2019, rates shall not exceed those in effect for the period ending June 30, 2017, except the rate paid to a facility may be higher than the rate paid to the facility for the period ending June 30, 2017, if a capital improvement approved by the Department of Developmental Services, in consultation with the Department of Social Services, for the health or safety of the residents was made to the facility during the fiscal year ending June 30, 2018, or June 30, 2019, only to the extent such rate increases are within available appropriations. Any facility that has a significant decrease in land and building costs shall receive a reduced rate to reflect such decrease in land and building costs. For the fiscal years ending June 30, 2012, June 30, 2013, June 30, 2014, June 30, 2015, June 30, 2016, [and] June 30, 2017, June 30, 2018, and June 30, 2019, the Commissioner of Social Services may provide fair rent increases to any facility that has undergone a material change in circumstances related to fair rent and has an approved certificate of need pursuant to section
Governor's Bill No. 7040

Notwithstanding the provisions of this section, the Commissioner of Social Services may, within available appropriations, increase or decrease rates issued to intermediate care facilities for individuals with intellectual disabilities to reflect a reduction in available appropriations as provided in subsection (a) of this section. For the fiscal years ending June 30, 2014, and June 30, 2015, the commissioner shall not consider rebasing in determining rates.

Sec. 29. Subdivision (1) of subsection (h) of section 17b-340 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2017):

(h) (1) For the fiscal year ending June 30, 1993, any residential care home with an operating cost component of its rate in excess of one hundred thirty per cent of the median of operating cost components of rates in effect January 1, 1992, shall not receive an operating cost component increase. For the fiscal year ending June 30, 1993, any residential care home with an operating cost component of its rate that is less than one hundred thirty per cent of the median of operating cost components of rates in effect January 1, 1992, shall have an allowance for real wage growth equal to sixty-five per cent of the increase determined in accordance with subsection (q) of section 17-311-52 of the regulations of Connecticut state agencies, provided such operating cost component shall not exceed one hundred thirty per cent of the median of operating cost components in effect January 1, 1992. Beginning with the fiscal year ending June 30, 1993, for the purpose of determining allowable fair rent, a residential care home with allowable fair rent less than the twenty-fifth percentile of the state-wide allowable fair rent shall be reimbursed as having allowable fair rent equal to the twenty-fifth percentile of the state-wide allowable fair rent. Beginning with the fiscal year ending June 30, 1997, a residential care home with allowable fair rent less than three dollars and ten cents per day shall be reimbursed as having allowable fair rent equal to three dollars and ten cents per day. Property additions placed in
service during the cost year ending September 30, 1996, or any
succeeding cost year shall receive a fair rent allowance for such
additions as an addition to three dollars and ten cents per day if the
fair rent for the facility for property placed in service prior to
September 30, 1995, is less than or equal to three dollars and ten cents
per day. Beginning with the fiscal year ending June 30, 2016, a
residential care home shall be reimbursed the greater of the allowable
accumulated fair rent reimbursement associated with real property
additions and land as calculated on a per day basis or three dollars and
ten cents per day if the allowable reimbursement associated with real
property additions and land is less than three dollars and ten cents per
day. For the fiscal year ending June 30, 1996, and any succeeding fiscal
year, the allowance for real wage growth, as determined in accordance
with subsection (q) of section 17-311-52 of the regulations of
Connecticut state agencies, shall not be applied. For the fiscal year
ending June 30, 1996, and any succeeding fiscal year, the inflation
adjustment made in accordance with subsection (p) of section 17-311-
52 of the regulations of Connecticut state agencies shall not be applied
to real property costs. Beginning with the fiscal year ending June 30,
1997, minimum allowable patient days for rate computation purposes
for a residential care home with twenty-five beds or less shall be
eighty-five per cent of licensed capacity. Beginning with the fiscal year
ending June 30, 2002, for the purposes of determining the allowable
salary of an administrator of a residential care home with sixty beds or
less the department shall revise the allowable base salary to thirty-
seven thousand dollars to be annually inflated thereafter in accordance
with section 17-311-52 of the regulations of Connecticut state agencies.
The rates for the fiscal year ending June 30, 2002, shall be based upon
the increased allowable salary of an administrator, regardless of
whether such amount was expended in the 2000 cost report period
upon which the rates are based. Beginning with the fiscal year ending
June 30, 2000, and until the fiscal year ending June 30, 2009, inclusive,
the inflation adjustment for rates made in accordance with subsection
(p) of section 17-311-52 of the regulations of Connecticut state agencies
shall be increased by two per cent, and beginning with the fiscal year ending June 30, 2002, the inflation adjustment for rates made in accordance with subsection (c) of said section shall be increased by one per cent. Beginning with the fiscal year ending June 30, 1999, for the purpose of determining the allowable salary of a related party, the department shall revise the maximum salary to twenty-seven thousand eight hundred fifty-six dollars to be annually inflated thereafter in accordance with section 17-311-52 of the regulations of Connecticut state agencies and beginning with the fiscal year ending June 30, 2001, such allowable salary shall be computed on an hourly basis and the maximum number of hours allowed for a related party other than the proprietor shall be increased from forty hours to forty-eight hours per work week. For the fiscal year ending June 30, 2005, each facility shall receive a rate that is two and one-quarter per cent more than the rate the facility received in the prior fiscal year, except any facility that would have been issued a lower rate effective July 1, 2004, than for the fiscal year ending June 30, 2004, due to interim rate status or agreement with the department shall be issued such lower rate effective July 1, 2004. Effective upon receipt of all the necessary federal approvals to secure federal financial participation matching funds associated with the rate increase provided in subdivision (4) of subsection (f) of this section, but in no event earlier than October 1, 2005, and provided the user fee imposed under section 17b-320 is required to be collected, each facility shall receive a rate that is determined in accordance with applicable law and subject to appropriations, except any facility that would have been issued a lower rate effective October 1, 2005, than for the fiscal year ending June 30, 2005, due to interim rate status or agreement with the department, shall be issued such lower rate effective October 1, 2005. Such rate increase shall remain in effect unless: (A) The federal financial participation matching funds associated with the rate increase are no longer available; or (B) the user fee created pursuant to section 17b-320 is not in effect. For the fiscal year ending June 30, 2007, rates in effect for the period ending June 30, 2006, shall remain in effect until
September 30, 2006, except any facility that would have been issued a lower rate effective July 1, 2006, than for the fiscal year ending June 30, 2006, due to interim rate status or agreement with the department, shall be issued such lower rate effective July 1, 2006. Effective October 1, 2006, no facility shall receive a rate that is more than four per cent greater than the rate in effect for the facility on September 30, 2006, except for any facility that would have been issued a lower rate effective October 1, 2006, due to interim rate status or agreement with the department, shall be issued such lower rate effective October 1, 2006. For the fiscal years ending June 30, 2010, and June 30, 2011, rates in effect for the period ending June 30, 2009, shall remain in effect until June 30, 2011, except any facility that would have been issued a lower rate for the fiscal year ending June 30, 2010, or the fiscal year ending June 30, 2011, due to interim rate status or agreement with the department, shall be issued such lower rate, except (i) any facility that would have been issued a lower rate for the fiscal year ending June 30, 2010, or the fiscal year ending June 30, 2011, due to interim rate status or agreement with the Commissioner of Social Services shall be issued such lower rate; and (ii) the commissioner may increase a facility’s rate for reasonable costs associated with such facility’s compliance with the provisions of section 19a-495a concerning the administration of medication by unlicensed personnel. For the fiscal year ending June 30, 2012, rates in effect for the period ending June 30, 2011, shall remain in effect until June 30, 2012, except that (I) any facility that would have been issued a lower rate for the fiscal year ending June 30, 2012, due to interim rate status or agreement with the Commissioner of Social Services shall be issued such lower rate; and (II) the commissioner may increase a facility’s rate for reasonable costs associated with such facility’s compliance with the provisions of section 19a-495a concerning the administration of medication by unlicensed personnel. For the fiscal year ending June 30, 2013, the Commissioner of Social Services may, within available appropriations, provide a rate increase to a residential care home. Any facility that would have been issued a lower rate for the fiscal year ending June 30, 2013, due to interim rate
status or agreement with the Commissioner of Social Services shall be issued such lower rate. For the fiscal years ending June 30, 2012, and June 30, 2013, the Commissioner of Social Services may provide fair rent increases to any facility that has undergone a material change in circumstances related to fair rent and has an approved certificate of need pursuant to section 17b-352, 17b-353, 17b-354 or 17b-355. For the fiscal years ending June 30, 2014, and June 30, 2015, for those facilities that have a calculated rate greater than the rate in effect for the fiscal year ending June 30, 2013, the commissioner may increase facility rates based upon available appropriations up to a stop gain as determined by the commissioner. No facility shall be issued a rate that is lower than the rate in effect on June 30, 2013, except that any facility that would have been issued a lower rate for the fiscal year ending June 30, 2014, or the fiscal year ending June 30, 2015, due to interim rate status or agreement with the commissioner, shall be issued such lower rate. For the fiscal year ending June 30, 2014, and each fiscal year thereafter, a residential care home shall receive a rate increase for any capital improvement made during the fiscal year for the health and safety of residents and approved by the Department of Social Services, provided such rate increase is within available appropriations. For the fiscal year ending June 30, 2015, and each succeeding fiscal year thereafter, costs of less than ten thousand dollars that are incurred by a facility and are associated with any land, building or nonmovable equipment repair or improvement that are reported in the cost year used to establish the facility’s rate shall not be capitalized for a period of more than five years for rate-setting purposes. For the fiscal year ending June 30, 2015, subject to available appropriations, the commissioner may, at the commissioner's discretion: Increase the inflation cost limitation under subsection (c) of section 17-311-52 of the regulations of Connecticut state agencies, provided such inflation allowance factor does not exceed a maximum of five per cent; establish a minimum rate of return applied to real property of five per cent inclusive of assets placed in service during cost year 2013; waive the standard rate of return under subsection (f) of section 17-311-52 of the
regulations of Connecticut state agencies for ownership changes or
health and safety improvements that exceed one hundred thousand
dollars and that are required under a consent order from the
Department of Public Health; and waive the rate of return adjustment
under subsection (f) of section 17-311-52 of the regulations of
Connecticut state agencies to avoid financial hardship. For the fiscal
years ending June 30, 2016, and June 30, 2017, rates shall not exceed
those in effect for the period ending June 30, 2015, except the
commissioner may, in the commissioner's discretion and within
available appropriations, provide pro rata fair rent increases to
facilities which have documented fair rent additions placed in service
in cost report years ending September 30, 2014, and September 30,
2015, that are not otherwise included in rates issued. For the fiscal
years ending June 30, 2016, and June 30, 2017, and each succeeding
fiscal year, any facility that would have been issued a lower rate, due
to interim rate status, a change in allowable fair rent or agreement with
the department, shall be issued such lower rate. For the fiscal year
ending June 30, 2018, rates shall not exceed those in effect for the
period ending June 30, 2017, except the commissioner may, in the
commissioner's discretion and within available appropriations,
provide pro rata fair rent increases to facilities which have
documented fair rent additions placed in service in the cost report year
ending September 30, 2016, that are not otherwise included in rates
issued. For the fiscal year ending June 30, 2019, rates shall not exceed
those in effect for the period ending June 30, 2018, except the
commissioner may, in the commissioner's discretion and within
available appropriations, provide pro rata fair rent increases to
facilities which have documented fair rent additions placed in service
in cost report year ending September 30, 2017, that are not otherwise
included in rates issued.

Sec. 30. Subsection (d) of section 10-500 of the general statutes is
repealed and the following is substituted in lieu thereof (Effective July
1, 2017):
(d) The Office of Early Childhood shall constitute a successor department, in accordance with the provisions of sections 4-38d, 4-38e and 4-39, to (1) the Department of Education with respect to sections 8-210, 10-16n, 10-16p to 10-16r, inclusive, 10-16u, 10-16w, 10-16aa, 17b-749a, 17b-749c and 17b-749g to 17b-749i, inclusive; (2) the Department of Social Services (A) with respect to sections 17b-12, 17b-705a, 17b-730, 17b-733, 17b-738, 17b-749, 17b-749d to 17b-749f, inclusive, 17b-749j, 17b-749k, 17b-750 to 17b-751a, inclusive, and 17b-751d, and (B) for the purpose of administering the child care development block grant pursuant to the Child Care and Development Block Grant Act of 1990; and (3) the Department of Public Health (A) with respect to sections 10a-194c, 12-634, 17a-28, 17a-101 and 19a-80f, (B) for the purpose of regulating child care services pursuant to sections 19a-77, 19a-79, 19a-80, 19a-82 and 19a-84 to 19a-87e, inclusive, (C) for the purpose of the conduct of regulation of youth camps, pursuant to sections 19a-420 to 19a-434, inclusive, and (D) for the purpose of administering the Maternal, Infant, and Early Childhood Home Visiting Program authorized under the Patient Protection and Affordable Care Act of 2010, P.L. 111-148, and (4) the Department of Developmental Services with respect to sections 17a-248, 17a-248b to 17a-248h, inclusive, 38a-490a and 38a-516a.]

This act shall take effect as follows and shall amend the following sections:

<table>
<thead>
<tr>
<th>Section</th>
<th>Effect Date</th>
<th>Section(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sec. 1</td>
<td>July 1, 2017</td>
<td>13b-69(b)</td>
</tr>
<tr>
<td>Sec. 2</td>
<td>July 1, 2017</td>
<td>17a-248</td>
</tr>
<tr>
<td>Sec. 3</td>
<td>July 1, 2017</td>
<td>17a-248h</td>
</tr>
<tr>
<td>Sec. 4</td>
<td>July 1, 2017</td>
<td>17a-248i</td>
</tr>
<tr>
<td>Sec. 5</td>
<td>July 1, 2017</td>
<td>17b-104(b)</td>
</tr>
<tr>
<td>Sec. 6</td>
<td>July 1, 2017</td>
<td>17b-106</td>
</tr>
<tr>
<td>Sec. 7</td>
<td>July 1, 2017</td>
<td>17b-272</td>
</tr>
<tr>
<td>Sec. 8</td>
<td>July 1, 2017</td>
<td>17b-131(a)</td>
</tr>
<tr>
<td>Sec. 9</td>
<td>July 1, 2017</td>
<td>17b-84(a)</td>
</tr>
<tr>
<td>Sec. 10</td>
<td>July 1, 2017</td>
<td>17b-256f</td>
</tr>
<tr>
<td>Sec. 11</td>
<td>July 1, 2017</td>
<td>17b-261(a)</td>
</tr>
</tbody>
</table>
### Statement of Purpose:
To implement the Governor's budget recommendations.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]