

Public Health Committee JOINT FAVORABLE REPORT

Bill No.: HB-7193

AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET RECOMMENDATIONS

Title: REGARDING PUBLIC HEALTH.

Vote Date: 3/29/2019

Vote Action: Joint Favorable

PH Date: 3/18/2019

File No.:

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REASONS FOR BILL:

To revise various public health statutes. Subject to approval by the secretary of the Office of Policy and Management, HB 7193 expands Connecticut's Newborn Screening Program (NBS) by authorizing the commissioner of the Department of Public Health (DPH) to include in Connecticut's screening any disorder included in the federal Recommended Uniform Screening Panel (RUSP).

Additional revisions include for DPH to reduce payments to municipal and district health departments on a pro rata basis if payments in a fiscal year have exceeded their appropriated amount. The bill also requires water companies that own public water systems to pay a safe drinking water assessment fee based on their operating system and number of service connections. Additionally, the bill repeals Section 19a-202b of the general statutes effective July 1, 2019 because the section pertains to obsolete local health statutes.

RESPONSE FROM ADMINISTRATION/AGENCY:

Melissa McCaw, Secretary, Office of Policy and Management (OPM):

Ms. McCaw elaborates on the three proposed initiatives of the bill, which are designed to enhance public health. The first is the inclusion of additional disorders in Connecticut's newborn screening panel. Early detection of RUSP recommended disorders may be the difference between a child reaching full potential in their life or experiencing lifetime disabilities. The bill authorizes the commissioner of DPH to add any RUSP recommended disorder to the Connecticut NBS. Governor Lamont's budget has appropriated funds for three disorders to be added. In order for the change in the budget to remain neutral, the commissioner of DPH is expected to adjust newborn screening fees.

The second initiative ensures that Connecticut's drinking water is safe. Connecticut water companies that own public water systems are required to pay a safe drinking water assessment fee. The Environmental Protection Agency (EPA) under the Safe Drinking Water Act (SDWA) delegated primary enforcement authority (primacy) to DPH, and in order for DPH to retain primacy, the governor has proposed assessment fees for water companies that operate public water systems. Funds allocated through assessment fees will allow the Department to carry out the necessary functions to ensure safe drinking water for Connecticut residents. Beginning December, 2019, DPH is required to report on all resources dedicated to maintaining primacy in the prior fiscal year. If DPH loses primacy, the assessment fee is immediately terminated.

The third initiative of the budget regarding public health pertains to DPH grants given to local health departments and districts. Should departments or districts receiving such grants exceed their appropriated funds in a fiscal year, the Department has the ability to reduce their grants on a pro rata basis.

Raul Pino, Commissioner, Connecticut Department of Public Health (DPH):

DPH supports all proposed initiatives of the bill. Beginning with the newborn screening initiative, DPH explains that RUSP disorders are chosen based on scientific evidence and the availability of effective treatments which may be life altering and potentially beneficial to the newborn. Screening disorders recommended by RUSP are supported by the Advisory Committee on Heritable Disorders in Newborns and Children (ACHDNC) and the Health Resources and Services Administration (HRSA). Ultimately, each state determines their own NBS list. The proposed legislation would authorize the commissioner of the Department to add any RUSP recommended disorder to the Connecticut NBS. This change will allow Connecticut to remain current with federal recommendations and advanced science.

In 1977, EPA granted primacy over Connecticut's public water systems to DPH. In situations where primacy is not delegated to states to enforce their own drinking water regulations, EPA maintains regulation primacy. While EPA has historically provided much of the funding for the Drinking Water Section of DPH, it has significantly reduced Section funding during the past seven years. As a result, the legislature required the Department to identify and evaluate alternative funding resources in order to retain their primacy over the state's public water systems. DPH concluded that additional funding was essential and was authorized to collect a safe drinking water assessment fee. This ensures that they retain primacy and that Connecticut residents are adequately protected.

NATURE AND SOURCES OF SUPPORT:

Connecticut Hospital Association (CHA):

CHA states that newborn screening is essential to identifying possible life threatening disorders. As such, while acknowledging OPM's integral role in state budgets, it is critical that clinical aspects of the DPH budget include recommendations from the commissioner of DPH. They suggest that language stating "*in consultation with the Commissioner of Public Health*" be added under Section 1, Line 31 of the bill.

Connecticut Water Company (CWC):

CWC supports the provisions of the bill that expand eligibility criteria for water companies to access state funds for public water system improvements. In addition to the federally funded Drinking Water State Revolving Fund (DWSRF), in 2014 Connecticut established a state funded bond to assist eligible water companies with the improvement of their public drinking water systems. Although DWSRF allowed for some funding for public service water companies, the Connecticut established bond did not. Current statutes impose significant barriers to certain community projects intended to benefit residents short and long term. Expanding eligibility criteria ensures that residents have safe drinking water and recognizes that the ultimate beneficiaries are Connecticut taxpayers.

NATURE AND SOURCES OF OPPOSITION:

Christopher Stone, Assistant District Counsel, The Metropolitan District (MDC):

MDC expresses concerns related to the DPH primacy fee under Section 4 of the bill, and suggests that the Section be eliminated. Their initial concern relates to the process DPH used when it initially established the drinking water assessment fee. As required by the legislature, DPH was instructed to develop a strategy to retain primacy in consultation with representatives of water companies. Despite this requirement, strategy meetings at the Department did not result in any recommendations from water companies. Rather, the meetings were only informative and consisted of DPH suggesting strategies without input from water companies.

The original assessment fee ensured that DPH would retain primacy over public water systems. MDC anticipated that future DPH budgets would consider primacy costs and be developed based on federal and state funds. The proposal to continue charging an assessment fee is highly concerning to MDC because it may be an indication that it will become a permanent charge. Although entirely opposing the Section, MDC suggests that should it be adopted and implemented, then all water companies should be required to pay an assessment fee. They also request complete transparency of the DPH Drinking Water Section funds, including exact resources dedicated to each class of water systems to ensure that they are being properly utilized.

Ray Jarema, Water Control Commission Manager, Town of Berlin:

Mr. Jarema opposes the bill and expresses concerns similar to MDC. He is also concerned that the bill results in double taxation because he views the assessment fee as a tax, in addition to residents paying state taxes. Mr. Jarema suggests that the Department evaluate service fees for other services they render rather than imposing the burden on water consumers.

South Central Connecticut Regional Water Authority (RWA):

RWA provides recommendations that may better comply with assessment fee requirements. The term “*service connection*” should exclude fire and irrigation service pipes. In order for the fee to most accurately reflect the billing system, the definition should only include metered

accounts. Additionally, RWA indicates that the invoice and payment deadlines are incompatible with their billing cycles and do not allow sufficient time for collecting fees. They suggest that as a nonprofit, RWA should be afforded flexibility. Additionally, the Authority recommends a communication mechanism regarding discrepancies in the number of service connections listed by DPH versus water companies. They also request that DPH set a gross amount they must collect from the water industry, and an annual cap not to exceed the Consumer Price Index. Additional requests include language to clarify that unpaid assessments only apply to outstanding amounts.

Mark Decker, Water Integrity Manager, Chris LaRose, General Manager, Norwich Public Utilities (NPU):

NPU expresses concerns with current bill language. Current Drinking Water Section (DWS) funds collected through fee assessment charges are capped at \$2.5 million or 20.81% of the DWS budget. Alternatively, HB 7193 no longer imposes these caps despite the potential to almost double the charge amount per connection. Similar to RWA, NPU states that DWS January invoice deadlines are incompatible with NPU's customer invoice deadlines, as well as municipal budgets which are commonly finalized by end of June before the end of the prior fiscal year.

The proposed fees for different classes of water companies are inequitable and disproportionate to the resources dedicated to each class. Additionally, while the bill requires DPH to be transparent by producing an annual report of how DWS funds were utilized to identify and reach efficiency goals, it does not suggest any consequence if they do not meet such goals. As such, there are no incentives for DWS to control spending or inefficiency which results in water companies and consumers continuing to subsidize an uncontrolled budget.

Avon Water Company (AWC):

AWC opposes the bill as drafted. The proposed increase of the assessment fee is passed through to customers and in order to protect them, AWC suggests that the legislature have fee oversight. The legislature should define the maximum amount a customer may be charged and of revenues generated by the fee, in addition to setting a fee increase cap for any year. Use of funds allocated through the fee must statutorily be limited only to staff and functions that are necessary in order for DPH to retain primacy. The total budget of DWS supported by the fee should also have a percentage limit.

Although the proposed bill instructs DPH to submit an annual report detailing how fee funds were utilized, it does not hold them accountable for potential misuse. AWC proposes for a public hearing to follow the report, and for legislative approval to continue the fee program. Additionally, AWC states that they could agree to the current fee level through the end of the 2021 fiscal year since funds are included in current biennial budget. Assessment fees beyond 2021 must not be left to the discretion of OPM or DPH. They must include policy discussion and legislative approval.

Charles Brown, Board Secretary, Treasurer, District Director, Central Connecticut Health District (CCHD):

CCHD opposes Section 3 of the bill which may proportionally reduce grants given to local health districts if they exceed appropriated funds. CCHD notes that local public health departments are decentralized from DPH. They provide front line health promotion, prevention and protection to their communities. Since 2009, CCHD's grant has been reduced by more than \$500,000 despite emerging epidemics such as the opioid crisis, Ebola and the Zika virus. The DPH grant provides for 14% of the CCHD budget, and the towns they serve provide for 51% of their budget. The remaining 35% is allocated through other grants, fees and program revenues. The State grant is part of the reason local health districts have been successful in covering 47% of the Connecticut population. A reduction in grants will challenge CCHD's ability to continue to promote, prevent, and protect the health of the communities they serve.

Lesley Bennett, Volunteer State Ambassador, Connecticut Rare Action Network (CT-RAN):

CT-RAN opposes the bill because it may adversely affect or nullify HB 7282 which includes spinal muscular atrophy (SMA) in the newborn screening panel effective January, 2020. The Network also specifically opposes lines 30-33 under Section 1 of the bill which would require the approval of the OPM secretary before the commissioner of DPH can add a RUSP recommended disorder to the Connecticut NBS. *They recommend that this provision be eliminated, and that Governor budgets should not have any association with NBS.*

If DPH is unable to expand the NBS panel, the Network recommends that Connecticut use the New England Regional Newborn Screening Program. This laboratory is approved by the Center for Disease Control and Prevention and performs NBS testing for all New England states except Connecticut. Using this laboratory may also be cost effective since it could immediately add SMA to Connecticut's screening panel.

Additional sources of opposition include:

Neil Amwake, General Manager, Town of Wallingford (*recommends several revisions*)

Patrick Kearney, Administrator, Town of Manchester (*recommends several revisions*)

Dennis Waz, Director of Public Utilities, City of Meriden (*recommends several revisions*)

Maureen Westbrook, Connecticut Water Company (*recommends several revisions*)

John Herlihy, Vice President, Aquarion Water Company (*recommends several revisions*)

Elizabeth Gara, Executive Director, Connecticut Water Works Association (recommends several revisions)

Craig Patla, Heritage Village Water Company (recommends several revisions)

Jonathan Avery, Hazardville Water Company, Jewett City Water Company (recommends several revisions)

All above sources provided similar recommendations for language revision.

Reported by: Valentina Mehmeti

Date: 4/1/19