



Date: March 25, 2019  
To: Public Health Committee  
From: Ben Shaiken, Manager of Advocacy & Public Policy, The Alliance  
Re: S.B. 1035 AN ACT AUTHORIZING DEEMED STATUS LICENSE RENEWALS FOR CERTAIN NONPROFIT COMMUNITY SERVICE PROVIDERS

Good morning Senator Abrams, Representative Steinberg, Senator Somers, Representative Petit, and distinguished members of the Public Health Committee:

My name is Ben Shaiken, Manager of Advocacy & Public Policy at the CT Community Nonprofit Alliance (The Alliance). The Alliance is the statewide advocacy organization representing nonprofits, with a membership of more than 300 community organizations and associations. Nonprofits deliver essential services to more than half a million people each year and employ almost 14% of Connecticut's workforce.

### Overview

**The Alliance supports S.B. 1035**, An Act Authorizing Deemed Status License Renewals for Certain Nonprofit Community Service Providers, which would reduce costs and enhance administrative and operational efficiencies for accredited community nonprofits and the State.

To summarize what Deemed Status would and would not do:

- **It would save nonprofits and the state money.** Deemed Status would eliminate duplicative requirements between licensure and accreditation.
- **It would not eliminate state licensure.** The state would still perform its oversight duty and still license facilities. Deemed Status would provide relief by lowering the frequency of licensure inspections.
- **It would not lessen standards.** State departments would determine whether the national standards are sufficient.
- **It would complement and not devalue the work of the Licensure and Certification Workgroup.** The workgroup's accomplishments will improve the state's licensure and certification processes. This will be a significant value to nonprofits – but these improvements would not eliminate the duplication of effort for accredited nonprofits. Deemed Status would.

### What is Deemed Status?

Connecticut's community nonprofits providing mental health, substance use, and developmental disability services are often required to maintain separate licenses from state agencies to operate their programs – sometimes as many as 25 or 30. Complying with multiple licensing requirements is costly.

Each license requires periodic renewal every two to three years and a series of compliance visits to the provider.

S.B. 1035 would allow nonprofits to **forgo duplicative and burdensome requirements** if a provider can demonstrate accreditation from an accepted national accrediting body such as the Commission on Accreditation of Rehabilitation Facilities (CARF), the Joint Commission, or other national accrediting bodies determined to meet or exceed state licensure requirements. Crosswalks between state and federal requirements demonstrate how **nationally recognized accrediting organizations meet and often exceed state licensing requirements**, as they demand extremely rigorous service standards and performance elements

Although the operationalization of Deemed Status would be determined by the State, the intent of this bill and Deemed Status is to **reduce the frequency of state licensing inspections, not eliminate them**. Deemed Status would only apply to renewals of licenses issued by the state, not new licenses. Importantly, in the case of any allegation of abuse or neglect or critical incidents, **state agencies would maintain their authority** to conduct both unannounced and announced inspection visits.

**Connecticut already uses Deemed Status to reduce costs** – but only for hospitals and other related healthcare services. We ask the Committee to expand this application to community providers. In light of Connecticut’s fiscal challenges, Deemed Status **would save money** and **enhance administrative and operational efficiencies** for both the state and providers.

- **Lower costs to nonprofits:** Currently, community nonprofits obtaining national accreditation undergo state agency licensing processes that duplicate what they do for accreditation. For many community nonprofits, Deemed Status would reduce the time and effort required by provider organization staff to complete administrative requirements for state licensure, allowing them to devote more time and resources to serving individuals in need.
- **Lower costs to the State:** Deemed Status for services where the national accreditation requirements meet or exceed state standards would reduce staffing costs for state licensing agencies over time, as the number site visits and administrative efforts required by state licensing agencies would be reduced. State departments have cited start-up costs associated with determining which accrediting bodies will qualify for Deemed Status; however the cost-savings associated with this change in the long term are worth the initial investment of time.

### **History of Deemed Status Consideration**

**For eight years now, there has been an ongoing discussion about expanding Deemed Status** between the legislature, state departments and providers. In 2011, the legislature passed Public Act 11-242, which formed a workgroup with nonprofits and other stakeholders to explore Deemed Status for nonprofit providers. As part of that process, the group completed “crosswalks” that compared the licensing standards of some national accrediting organizations to state requirements. They found that national standards were just as stringent, if not more, than state standards. You can read an example of one of the “crosswalks” by [clicking here](#). A [final report](#) was issued to the legislature by the Governor’s Nonprofit Liaison in 2015 after years of work.

In 2017, the legislature decided to take up Deemed Status again. Two bills – H.B. 5661, introduced by a Republican in this Committee, and H.B. 6155, introduced by a Democrat in the Government

Administration and Elections Committee – were heard at public hearings. The GAE bill was drafted and passed Committee unanimously. S.B. 1035 is effectively the same language that passed the GAE Committee in 2017.

Following lengthy negotiations, in which leaders of Public Health participated alongside leadership from GAE and Human Services, representatives from state agencies, Governor Malloy’s office, and The Alliance, H.B. 6155 was amended to create what became the Licensure and Certification Workgroup (LCW), passed the legislature unanimously and became Special Act 17-21.

Once appointed pursuant to Special Act 17-21, the LCW was a first-of-its-kind multi-state agency Lean process that included six nonprofit members. It met for a five day intensive Kaizen in November, 2017 and made its [final report](#) to the legislature in December, 2017. Following that report, which fulfilled the statutory obligation of the LCW, the work group split into eight subcommittees and continue to work on changing the State’s licensure and certification policies, procedures, regulations, and statutes. In 2018, the legislature passed three bills that implemented some recommendations of the LCW ([PA 18-32](#), [PA 18-168](#), & [PA 18-67](#)).

### **Deemed Status Should Complement the Licensure and Certification Workgroup**

**The LCW is government at its best.** It is a collaborative effort and true partnership between nonprofits and state agencies. Nonprofits’ input is valued, and state agencies are sincere and dedicated to making changes to ensure the licensure and certification system works more effectively.

**The LCW has made changes to help streamline the system and help nonprofits, and more are in development, but it is not the same as Deemed Status and the workgroup is not considering the possible implementation of Deemed Status.** The Alliance believes the work of the LCW should continue, and that the legislature should authorize Deemed Status parallel to that work and to complement the progress made to date.

**I want to be clear that The Alliance does not disregard or discount the dedication and hard work the LCW—both its state agency and nonprofit members—have done and continue to do.** We strongly support it and advocate for it to be used as a model for making change to other parts of the service system. For example, the LCW has made or is the process of making a number of important changes, all of which reduce the amount of time and money required of providers during the licensure process. Some examples, currently in various stages of development are:

- Creation of checklist defining licensing requirements that will be reviewed in an off-site desk audit, including, for example, medical records, HR records, safety logs, etc.;
- Creation of uniform medication certification program across state agencies to allow people to work in different programs without the time burden of recertification;
- Development of a scoring system of Key Indicators, or regulations that have been empirically demonstrated to highly predict overall licensing outcome and can be used for abbreviated licensing visits with programs that have demonstrated high compliance rates;
- Development of a weighted scoring system that would allow for reduction in subsequent inspections for highly scoring programs;
- Streamlined and uniform process for provider corrective action; and

- Implementation of fully electronic system for licensure process (eLicense in the case of DPH and DDS; Biznet in the case of DCF).

**Deemed Status stands on its own as good public policy, even with the more efficient and streamlined state licensure and certification system the LCW is working to create.** A Deemed Status designation designed around this improved licensure and certification system would further increase efficiencies and reduce redundancies for accredited programs.

Thank you for the opportunity to testify in support of S.B. 1035 and for your consideration of this important issue.

Ben Shaiken  
Manager of Advocacy & Public Policy  
[bshaiken@ctnonprofitalliance.org](mailto:bshaiken@ctnonprofitalliance.org)