OLR Bill Analysis
sSB 945

AN ACT CONCERNING THE INNOVATION INCENTIVE PROGRAM FOR NONPROFIT PROVIDERS OF HUMAN SERVICES.

SUMMARY

This bill requires the Office of Policy and Management (OPM) secretary to establish, a pilot program, providing incentives to qualifying nonprofit human service providers that realize savings in the state-contracted services they deliver. Under the bill, the pilot program must (1) allow participating providers to keep a portion of any savings they realize from the contracted service cost as long as they meet their contractual requirements and use 50% of the savings they retain to expand services and (2) prohibit future state contracts for the same type of service from being reduced solely on savings achieved under the pilot. Current law authorizes OPM to establish a program with these features, which has not been implemented.

Under current law, eligible providers must (1) have state contracts of $1 million or less and (2) provide direct services to no more than 150 people enrolled in state-funded assistance programs in specific geographic regions of the state. The bill removes these criteria and instead limits eligibility to eight nonprofit human service providers with state contracts in the following amounts (two from each tier):

1. $50 million or more,
2. at least $20 million but less than $50 million,
3. at least $5 million but less than $20 million, and
4. less than $5 million.

EFFECTIVE DATE: July 1, 2019
COMMITTEE ACTION

Human Services Committee

Joint Favorable Substitute
Yea 17  Nay 1  (03/21/2019)