



Senate

General Assembly

File No. 549

February Session, 2024

Senate Bill No. 374

Senate, April 18, 2024

The Committee on Appropriations reported through SEN. OSTEN of the 19th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

***AN ACT CONCERNING EQUALIZING RATES OF PAY FOR
NONPROFIT PROVIDER WORKERS.***

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

1 Section 1. (NEW) (*Effective from passage*) (a) On and after July 1, 2024,
2 the Commissioner of Mental Health and Addiction Services shall
3 include as a condition of any purchase of service contract with a private
4 provider organization that is a nonprofit that such private provider
5 organization pay workers providing direct health or human services at
6 the same rate as workers in the same or similar classification providing
7 such services at the same facility under a purchase of service contract
8 with the Department of Developmental Services.

9 (b) For purposes of this section, "private provider organization" and
10 "purchase of service contract" have the same meanings as provided in
11 section 4-70b of the general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section

APP *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 25 \$	FY 26 \$
Mental Health & Addiction Serv., Dept.	GF - Cost	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill is anticipated to result in a cost to the Department of Mental Health and Addiction Services (DMHAS) associated with requiring private providers contracting with DMHAS to pay employees at the same rate paid to their employees providing DDS contracted services. This is estimated to impact contracts with 14 providers with a total value of \$31.1 million. Assuming 90% of the contracts support the provision of direct care services, a 5% increase would cost approximately \$1.4 million. The actual cost is dependent on the difference between applicable direct care wages supported by DMHAS and DDS for these providers.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to direct care personnel costs for DDS contracted services.

OFA Bill Analysis

SB 374

***AN ACT CONCERNING EQUALIZING RATES OF PAY FOR
NONPROFIT PROVIDER WORKERS.***

SUMMARY:

The bill establishes wage requirements for certain nonprofit, private providers contracting with the Department of Mental Health and Addiction Services (DMHAS). On and after 7/1/24, these providers must pay employees providing direct health or human services the same rate paid to their employees of a similar classification providing such services under a purchase of service contract with the Department of Developmental Services (DDS).

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Appropriations Committee

Joint Favorable

Yea 49 Nay 2 (04/04/2024)