

# OFFICE OF FISCAL ANALYSIS

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SB-374

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

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## ***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.