

December 3, 2012

To: Governor Dannel P. Malloy

From: Terry Edelstein, Nonprofit Liaison

Re: **Recommendations and Next Steps – Governor’s Cabinet on Nonprofit Health and Human Services**

When you established the Governor’s Cabinet on Nonprofit Health and Human Services in September 2011 you asked the Cabinet “to analyze existing public-private partnerships with respect to the state’s health and human services delivery systems and to make recommendations to enhance the effectiveness of those systems in regard to client outcomes, cost-effectiveness, accountability and sustainability.”

This memo summarizes the recommendations of the report the Cabinet submitted on October 1, 2012, suggests fourteen gubernatorial or administration action steps and outlines a future charge of the Cabinet.

Sections:

1. Quick Summary – Governor’s Charge to Cabinet (p 2)
2. Summary of Cabinet Recommendations and Steps Proposed by Nonprofit Liaison (pp 3-6)
3. Governor’s Charge to Cabinet through 12/31/13 (pp 7-9)
4. Nonprofit Liaison Action Steps Summary (p 10)
5. Cabinet Members (p 11)

The full report is posted on the OPM website as are the minutes and notes of meetings of the Cabinet: <http://www.ct.gov/opm/cwp/view.asp?a=2998&Q=490946>

- [Report to the Governor - October 1, 2012](#)
- [Cover Letter for October 1, 2012 Report](#)

Note: The Judicial Branch was an active participant on the Cabinet. While most of the recommendations discussed in this report relate to the Executive Branch, the Judicial Branch may elect to apply these recommendations to its Purchase of Service contracts.

QUICK SUMMARY GOVERNOR’S CHARGE TO CABINET

1. Take Administrative Action to implement many of the recommendations of the report
2. Designate Three New Work Groups

WORK GROUP ON JOBS

Goal: To ensure ongoing provision of high quality, cost effective health and human services by nonprofit community-based providers by promoting a well trained, well educated workforce

WORK GROUP ON CONTRACT PROCUREMENT AND ADMINISTRATION

Goal: To ensure efficiency and cost effectiveness in the state’s procurement process while supporting the nonprofit provider infrastructure

WORK GROUP ON POPULATION RESULTS

Goal: To ensure that program outcomes are linked to broader population measures

SUMMARY OF CABINET RECOMMENDATIONS AND ACTION STEPS PROPOSED BY NONPROFIT LIAISON

Cabinet Recommendation #1 - Public/Private Partnership

Adopt Principles to Guide the State/Private Nonprofit Provider Partnership

These Partnership Principles are intended to promote a fair, effective, responsive, transparent and accountable partnership between nonprofit providers and state government funders.

The key elements of the Principles are that:

- All contracted services are based on dynamic, data-driven systems;
- Selection processes for contracted providers are transparent and competency-based;
- Contract terms and renewals are based on the community’s best interest and performance;
- Contract amounts and timely payments are critical to maintaining a viable system;
- Reporting and monitoring promote efficiency and accountability and
- There is open communication and mutual accountability which are critical for government and nonprofit providers to fulfill their shared commitment to the public good.

Nonprofit Liaison - Action Step Recommendations:

1. *Administrative Action:* Post Principles on OPM website

Responsible Party: OPM Office of Finance

2. *Administrative Action:* Provide training to state agencies about the intent and scope of the Principles

Responsible Party: OPM Office of Finance

Cabinet Recommendation #2 – Cross Agency Population Measures

- Utilize “cross-agency population results” in the areas of safety, economic security, health, education, support for vulnerable populations and children to focus on the quality of life of the populations served by nonprofit agencies.
 - All Connecticut residents live in safe families and communities.
 - All Connecticut residents are economically secure.
 - All Connecticut residents are developmentally, physically, and mentally healthy across the lifespan.
 - All Connecticut residents who are elderly or have disabilities live engaged lives in supportive environments of their choosing.

- All Connecticut residents succeed in education and are prepared for careers, citizenship & life.
- All children grow up in a stable environment, safe, healthy, & ready to succeed.
- Establish a “Population Results Organizing Body” to implement and oversee this work.

Nonprofit Liaison - Action Step Recommendations:

3. *Gubernatorial Action:* Charge Cabinet with creating a “Work Group on Population Results” to develop a plan for implementing these recommendation including:
 - a. Linking “cross-agency population results” to Purchase of Service (POS) outcome measures
 - b. Recommending a structure for a “Populations Results Organizing Body”

Responsible Party: Governor’s Cabinet on Nonprofit Health and Human Services

Cabinet Recommendation #3 - Procurement

Revise the State’s Procurement Standards to:

- Standardize procurement practices across state agencies and train all staff with procurement roles
- Expand competitive bidding waiver provisions to include considerations such as evidence-based models which require significant investment at the provider level
- Implement a planning process that involves stakeholders prior to the commencement of a competitive procurement process

Nonprofit Liaison - Action Step Recommendations:

4. *Gubernatorial Action:* Recommend legislation to increase the threshold for seeking a waiver from competitive bidding from \$20,000 for a one year contract to up to \$100,000 for a two year contract (recommendation 3.c)

Responsible Party: Governor’s Office

5. *Administrative Action:* Incorporate specific recommendations of the Cabinet into the State Procurement Standards (revised 5/14/12).

Recommendations 3. b and d – o can be addressed administratively. See pages 12-14 of 10/1/12 report.

Recommendation 3. a. that relates to Judicial Department utilization of the POS Procurement Standards is a recommended best practice that may be addressed on a voluntary basis by the Judicial Department.

Responsible Party: OPM Office of Finance

Cabinet Recommendation #4 - Reporting and Data

- Task state agencies with streamlining data reporting requirements by utilizing common file structures that comply with federal meaningful use requirements and maximize the use of electronic technology
- Continue the ongoing effort by the state to aggregate audit and Nonprofit Strategy Platform data
- Provide an annual update on the financial health of nonprofit providers to the Governor’s Cabinet on Nonprofit Health and Human Services using consistent methodologies to reports generated through the Commission on Nonprofit Health and Human Services (2011) and the Governor’s Cabinet on Nonprofit Health and Human Services (2012). Present this update as a part of the annual report of the Governor’s Cabinet on Nonprofit Health and Human Services.

Nonprofit Liaison - Action Step Recommendations

6. *Administrative Action:* Develop common file structures

Responsible Parties: OPM Office of Finance and nonprofit provider representatives

7. *Administrative Action:* Coordinate the data posting process

Responsible Party: OPM Office of Finance

8. *Administrative Action:* Report on the health of nonprofit providers by September 1, 2013 and in each subsequent year

Responsible Party: OPM Office of Finance

Cabinet Recommendation #5 - Sustainability of Nonprofit Providers

- Ensure that payment rates cover the cost of services as mutually agreed to by the provider and the funding state agency in a fair and transparent manner
- Extraordinary one time increases in essential costs should be considered for supplemental funding, similar to that given for fuel relief in the past
- Revise the OPM Cost Standards with regard to allowable depreciation expenses
- Allow nonprofit providers to maintain capital reserves

Nonprofit Liaison - Action Step Recommendations

9. *Administrative Action:* Link Cabinet recommendations with the work of OPM Secretary Barnes’ Purchase of Service Contracting Efficiency Project (initiated January 2012)

Responsible Party: OPM Office of Finance

10. *Administrative Action:* Work with state agency administrators and contract managers with respect to payment rates covering the cost of service as mutually agreed to by the provider and the funding state agency in a fair and transparent manner.

Responsible Party: OPM Office of Finance

11. *Administrative Action:* Recommend revisions to the OPM Cost Standards for certain allowable depreciable expenses.

Responsible parties: OPM Office of Finance and nonprofit provider representatives

12. *Administrative Action:* Recommend revisions to the OPM Cost Standards and to POS contracts to allow nonprofit providers to establish capital reserve accounts.

Responsible parties: OPM Office of Finance and nonprofit provider representatives

13. *Administrative Action:* Consider a proposal for surplus retention across POS contracts, analyzing the pros and cons of establishing this policy including the cost to the state, the benefits to nonprofit providers and the process for ensuring the provision of contracted services.

Responsible parties: OPM Office of Finance and nonprofit provider representatives

14. *Administrative Action:* Develop recommendations to enhance bonding alternatives for nonprofit health and human services providers

- a. Assess utilization and limitations of existing bond pools (DDS, DMHAS, DSS, DCF)
- b. Assess utilization and limitations of OPM Nonprofit Incentive Grant bond pool
- c. Recommend additional bonding options to support the nonprofit provider infrastructure in such areas as Electronic Health Records, IT systems and infrastructure support

Responsible party: Governor’s Cabinet on Nonprofit Health and Human Services

GOVERNOR’S CHARGE TO THE CABINET THROUGH 12/31/13

1. Administrative Responsibility

Charge the Nonprofit Liaison to the Governor with administrative responsibility for ensuring that the work of the Cabinet continues at the high level it has in its first year.

2. Cabinet Membership

Cabinet Co-chairs: Designate the current co-chairs to continue in their role

Peter S. DeBiasi, President/CEO, Access Community Action Agency
Terry Edelstein, Nonprofit Liaison to the Governor

Cabinet Members: Designate the current state agency commissioner members of the Cabinet to continue in their role as voting members

Designate Amy Porter, Commissioner of the Department of Rehabilitation Services to serve on the Cabinet as a voting member

Invite current Cabinet members to continue to serve on the Cabinet

Seek recommendations from associations representing nonprofit providers to recommend other individuals to fill vacancies on the Cabinet including representatives from housing, home care and community health centers

3. Report on Progress of the Cabinet and its Work Groups by September 1, 2013

4. Cabinet Work Groups – Designate Three Newly Constituted Work Groups

Work Group Co-chairs: To be appointed by the Cabinet co-chairs

Each Work Group refines its charge, develops a work plan and a timeline for action

Co-chairs of the Work Groups invite associations representing nonprofit providers and POS and Judicial agencies to recommend other participants

Charge of the WORK GROUP ON JOBS

Goal: To ensure ongoing provision of high quality, cost effective health and human services by nonprofit community-based providers by promoting a well trained, well educated workforce

1. Look at best practices within the state and across the country

2. Project the workforce needs of the future
3. Project the workforce skill requirements of the future considering the impact of the Affordable Care Act
4. Building on ongoing initiatives
 - a. Recommend a plan to work with SDE and the elementary and secondary education systems to train the future workforce
 - b. Recommend a plan to work with Higher Ed systems to train the future workforce
 - c. Work with DOL to assemble data on nonprofit employment and wages
 - d. Work with the Department of Veteran’s Affairs to match health and human services workforce needs and potential workers
5. Work with Department of Economic and Community Development to develop incentives for nonprofit businesses

Charge of the WORK GROUP ON CONTRACT PROCUREMENT AND ADMINISTRATION

Goal: To ensure efficiency and cost effectiveness in the state’s procurement process while supporting the nonprofit provider infrastructure

1. Look at best practices within the state and across the country
2. Recommend revisions to the OPM Cost Standards for certain allowable depreciable expenses
3. Recommend revisions to the OPM Cost Standards and to POS contracts to allow nonprofit providers to establish capital reserve accounts
4. Consider a surplus retention policy across POS contracts, analyzing the pros and cons of establishing this policy including the cost to the state and the process for ensuring the provision of contracted services
5. Develop recommendations to enhance bonding alternatives for nonprofit health and human services providers
 - a. Assess utilization and limitations of existing bond pools (DDS, DMHAS, DSS, DCF)
 - b. Assess utilization and limitations of OPM Nonprofit Incentive Grant bond pool
 - c. Recommend additional bonding options to support the nonprofit provider infrastructure in such areas as Electronic Health Records, IT systems and infrastructure support
6. Monitor status of procurement and action steps recommendations including:
 - a. Posting “Principles to Guide the State/Private Nonprofit Provider Partnership”
 - b. Training on the principles
 - c. Revising procurement standards
 - d. Streamlining data reporting requirements
 - e. Aggregating audit and other data
 - f. Assessing financial health of nonprofit providers
 - g. Developing training protocols relating to contract and fee for service reimbursement

Charge of the WORK GROUP ON POPULATION RESULTS

Goal: To ensure that program outcomes are linked to broader population measures

1. Develop a plan for implementing “cross-agency population results” including,
 - a. Linking “cross-agency population results” to Purchase of Service (POS) outcome measures
 - b. Recommending a structure for a “Populations Results Organizing Body”
2. Look at best practices within the state and across the country

NONPROFIT LIAISON ACTION STEP SUMMARY

1. *Administrative Action:* Post Principles to Guide the State/Private Nonprofit Provider Partnership on OPM website
2. *Administrative Action:* Provide training to state agencies about the intent and scope of the Principles
3. *Gubernatorial Action:* Charge Cabinet with creating a “Work Group on Population Results” to develop a plan for implementing these recommendation including: Linking “cross-agency population results” to Purchase of Service (POS) outcome measures and recommending a structure for a “Populations Results Organizing Body”
4. *Gubernatorial Action:* Recommend legislation to increase the threshold for seeking a waiver from competitive bidding from \$20,000 for a one year contract to up to \$100,000 for a two year contract
5. *Administrative Action:* Incorporate specific recommendations of the Cabinet into the State Procurement Standards.
6. *Administrative Action:* Develop common file structures
7. *Administrative Action:* Coordinate the data posting process
8. *Administrative Action:* Report on the health of nonprofit providers by September 1, 2013 and in each subsequent year
9. *Administrative Action:* Link Cabinet recommendations with the work of OPM Secretary Barnes’ Purchase of Service Contracting Efficiency Project (initiated January 2012)
10. *Administrative Action:* Work with state agency administrators and contract managers with respect to payment rates covering the cost of service as mutually agreed to by the provider and the funding state agency in a fair and transparent manner.
11. *Administrative Action:* Recommend revisions to the OPM Cost Standards for certain allowable depreciable expenses.
12. *Administrative Action:* Recommend revisions to the OPM Cost Standards and to POS contracts to allow nonprofit providers to establish capital reserve accounts.
13. *Administrative Action:* Consider a proposal for surplus retention across POS contracts, analyzing the pros and cons of establishing this policy including the cost to the state, the benefits to nonprofit providers and the process for ensuring the provision of contracted services.

14. *Administrative Action:* Develop recommendations to enhance bonding alternatives for nonprofit health and human services providers

Cabinet Members

Governor Malloy appointed the following individuals to serve on the Cabinet

Deb Heinrich*, Nonprofit Liaison to the Governor, Cabinet Co-Chair

Peter S. DeBiasi - President/CEO, Access Community Action Agency, Cabinet Co-Chair

Leo Arnone, Commissioner, Department of Corrections

Yvette H. Bello, Executive Director Latino Community Services

Roderick Bremby, Commissioner, Department of Social Services

William Carbone, Executive Director, Court Support Services Division of the Judicial Branch

Michelle Cook, CT State Representative

Roberta Cook, President/CEO, Harbor Health Services, Inc.

Marcie Dimenstein, Senior Director-Behavioral Health, The Connection, Inc

Robert Dakers, Office of Policy and Management

Patrick J. Johnson, Jr., President, Oak Hill

Joette Katz, Commissioner, Department of Children and Families

Terry Macy, Commissioner, Department of Developmental Services

Jewel Mullen, Commissioner, Department of Public Health

Daniel J. O’Connell, President/CEO, Connecticut Council of Family Service Agencies

David Pickus, Secretary-Treasurer, SEIU 1199NE

Maureen Price-Boreland, Executive Director, Community Partners in Action

Stefan Pryor, Commissioner, Department of Education

Patricia Rehmer, Commissioner, Department of Mental Health and Addiction Services

Nancy Roberts, President and CEO, Connecticut Council for Philanthropy

Anne L. Ruwet, CEO, CCARC, Inc

Teresa Santoro, CEO, Ridgefield Visiting Nurse Association

**Resigned as Liaison in February 2012*