***State of Connecticut***

**Governor’s Cabinet**

 **on**

**Nonprofit Health and Human Services**

**Report to**

**Governor Dannel P. Malloy**

***October 30, 2013***

***From the co-chairs - CABINET MEMBERS – PLEASE REVIEW FOR CONTENT***

***(rather than word-smithing or formatting)***

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**EXECUTIVE SUMMARY**

The Governor’s Cabinet on Nonprofit Health and Human Services was charged by Governor Malloy to focus on Jobs, Population Results and Contract Procurement & Administration.

The Cabinet made ### recommendations relating to the Purchase of Service of health and human services by the State of Connecticut. Some recommendations can be addressed administratively. Others will require legislative action.

In addition, the Cabinet made recommendations for focus areas in 2014.

**INTRODUCTION**

We are pleased to present the second annual report of the Governor’s Cabinet on Nonprofit Health and Human Services to Governor Malloy.

The Governor established the Cabinet in September of 2011 and charged the group with analyzing existing public-private partnerships with respect to the state's health and human services delivery systems and with making recommendations to enhance the effectiveness of those systems in regard to client outcomes, cost-effectiveness, accountability and sustainability.

The recommendations in this report were developed following Governor Malloy’s subsequent charge to the Cabinet in December 2012. The three newly constituted Work Groups developed their recommendations with the assistance of over fifty volunteers from the nonprofit sector and the state agencies.

We wish to thank the twenty-two members of the Cabinet for their active participation. We would also like to thank those designees of our state agency commissioners who gave many hours in representing their agencies at the Cabinet meetings and in the Work Groups.

The Co-Chairs of the Work Group deserve specific recognition:

Work Group on Jobs:

Terry Macy, Commissioner, Department of Developmental Services

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

Work Group on Population Results:

Ajit Gopalakrishnan, Chief, Bureau of Data Collection, Research and Evaluation, State Department of Education

Yvette H. Bello, Executive Director, Latino Community Services

Work Group on Contract Procurement & Administration:

Kathleen Brennan, Deputy Commissioner, Department of Social Services

Alyssa Goduti, Vice President Business Development & Communications, CHR

In addition we would like to thank Robert Dakers, Executive Finance Officer at the Office of Policy and Management for his active participation and willingness to assist each of the Work Groups.

We look forward to discussion the Cabinet recommendations with Governor Malloy.

Terry Edelstein, Nonprofit Liaison to the Governor, Cabinet Co-Chair

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

**GOVERNOR’S CABINET ON NONPROFIT HEALTH AND HUMAN SERVICES MEMBERSHIP**

***Governor Malloy appointed the following individuals to serve on the Cabinet***

Terry Edelstein, Nonprofit Liaison to the Governor, Cabinet Co-Chair

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

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

Deborah Chernoff, Communications Director, SEIU 1199NE

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

James Dzurenda, Interim Commissioner, Department of Corrections

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

Amy Porter, Commissioner, Department of Rehabilitation Services

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.

**RECOMMENDATIONS**

**(note: recommendations will be set up in a numbering system with clarification about which recommendations can be addressed administratively and which require legislative changes)**

These recommendations have been approved by the full Cabinet.

They were developed by the three Cabinet Work Groups and presented to the full Cabinet for review, discussion and finally action to adopt them. Some of the recommendations break new ground; others build on recommendations previously made by the Cabinet, and still others are related to supporting and enhancing ongoing work within the Executive Branch.

These recommendations make reference to Purchase of Service (POS) contracts.\*

* + - 1. **JOBS**

**It is recommended that:**

1. A future Jobs Work Group**:**

A. Work with DOL, OPM and relevant state agencies to collect data on the POS and the Judicial Branch CSSD’s contracted workforce in the nonprofit sector. The data should include:

* Categories of standard positions
* Average numbers of those employed
* Weekly average wages
* Current average wages based on job categories
* Hourly wages, trends and benefits.
* Skill level gap
* Rate and reason for turnover for staff

B. Assess and report on a process to develop and implement a statewide data system that captures nonprofit sector workforce needs and trends.

\*A POS contract is a contract between a State agency and a private provider organization or municipality for the purpose of obtaining direct health and human services for agency clients. The contract generally is not used for the sole purpose of purchasing administrative or clerical services, material goods, training and consulting services. POS contracts cannot be used to contract with individuals.

C. Ensure the following data are collected and analyzed, and that resulting recommendations are brought to the Cabinet:

* baseline information on the current resources and gaps in resources for meeting training needs.
* resources within Connecticut educational institutions, including online options, designed to meet the needs of the nonprofit workforce.
* data on the training resources provided by the various state agencies that contract with nonprofit providers.

D. Recommend to the Cabinet a formalized Statewide system for identifying and recruiting interns, a key resource for nonprofit community based providers.

1. Efforts be made to support the following excerpts/ recommendations made by the Commission on Nonprofit Health and Human Services report, final report, March 31, 2011

***Cost Comparisons Workgroup - Private and State Services Workgroup***

*Wages:*

*37. … the state should commit to funding Private Non-Profit providers at a level that would allow the Private Non-Profit sector to raise the wages of its lowest paid workers and to implement a salary structure that would allow the Private Non-Profit sector to recruit and retain a qualified workforce.*

*Health Insurance*

*38. To attract and retain a qualified workforce and to ensure the health of its employees, the Private Non-Profit sector needs to provide comprehensive employee health benefits. The state’s contracts, rate, and fee structure need to support this goal.*

*Retirement Benefits*

*39. Through its contracting procedures, the state should provide financial incentives to Non-Profit Providers to establish or enhance retirement benefit programs. Carefully structured retirement benefits could provide an incentive for employee longevity, reducing the costs and service discontinuity associated with staff turnover*

The Governor’s Nonprofit Cabinet urges the state to comply with the recommendations above.

1. The Governor's Nonprofit Liaison or a designee should participate as a voice at the table of the Connecticut Employment and Training Commission (CETC). The CETC is Connecticut’s State Workforce Investment Board, authorized under the federal Workforce Investment Act and state statute. The CETC provides workforce-related policy and planning guidance to the Governor and General Assembly and promotes coordination of the state’s workforce-related investments, strategies, and programs.

GOAL 3 RECOMMENDATIONS PENDING CABINET ACTION

* + - 1. **POPULATION RESULTS**

**It is recommended that:**

|  |
| --- |
| **1**: The Executive Branch, in consultation with the Legislative and Judicial Branches, establish a policy-level coordinating entity to lead this effort to ensure the consistent incorporation in POS Contracts across all state agencies and branches of state government, performance measures that demonstrate a program’s contribution to the population indicators and results developed by this Cabinet..**2**: State agencies that award health and human services POS contracts establish an intra-agency team (that includes staff from data, operations, and contracts divisions) to support the inclusion of appropriate performance measures into POS contracts. **3**: The coordinating entity recommended above arrange for the provision of adequate support from experts in the development and use of performance measures, that the document created by the Population Results workgroup entitled *Lessons Learned: A Guide for Connecting Population Results and Performance Measures in Purchase of Service Contracts* (Appendix A of Work Group Report) be used to guide this work.This will allow for State agencies, funders and providers to receive adequate support to develop, implement and use appropriate performance measures as outlined in Recommendations 1 and 2 above.**4**: The work group referenced in Recommendation 6 below refine the preliminary population indicators selected by the 2011-12 workgroup (see Appendix B of Work Group Report) using actual data, and ensure this process is ongoing.**5**: Designate CTdata.org, managed by the CT Data Collaborative, as the structure to acquire, maintain and make accessible the population indicators data.**6**: A work group similar in composition to the current Population Results Work group of the Cabinet and broadly representative of all stakeholders including all branches of government, funders and providers, be created to advise the Coordinating Entity on the work encompassed in Recommendations 1 – 3 above. |

* + - 1. **CONTRACT PROCUREMENT & ADMINISTRATION**

This Work Group made recommendations in three areas:

* Retention of Unexpended Funds
* RPF and Procurement Process
* Cost Standards

**Retention of Unexpended Funds:**

**It is recommended that:**

1. That State agencies and providers will continue to collaboratively develop outcome, performance and performance monitoring systems that will enable a greater level of budgetary flexibility including retaining a portion of unexpended funds.
2. In the interim:
3. State agencies may work with providers to allow State funds to be spent first, provided there are no federal or other matching requirements.
4. Providers will continue to submit fiscal and programmatic reports in accordance with current contractual requirements. Providers and state agencies will continue to discuss these reports and other matters and adjustments will be made as needed.
5. Providers will submit the 8 month report as currently, in regard to which:
6. State agencies, in consultation with the provider, may direct spending changes based on fiscal and other reports.
7. State agencies and providers may continue to seek, through the budget revision process, to repurpose projected unexpended funds for one time purposes important to the program and provider.
8. Year-end reconciliation
9. Cost reconciliation will continue to occur at the same level that cost reconciliation currently occurs (i.e. program, SID, etc) for each contract.
10. If there are unexpended funds and if State agency determines that the provider has complied with contractual and other service delivery requirements, then:
* The provider may retain 50% of the unexpended funds
* The retention amount shall be capped at 10% of the funds received by the provider (at the program, SID or other level to be reconciled).
* Note: Unexpended amounts resulting from a failure to make certain expenditures or fill positions as directed by a State agency may not be included in the calculation of the provider retention amount.
1. Federal funds will follow federal rules
2. Unexpended funds retention would not apply in the first year of a new program.

3. In cases of budget deficits, unexpended funds retention may be suspended for a particular fiscal year by the Secretary of OPM or as part of an agency deficit mitigation plan.

**RFP and Procurement Processes**

These recommendations are a follow up to the recommendations made by the Cabinet in 2012 for changes in the State Procurement Standards for POS contracts.

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| **OCTOBER 2012 CABINET RECOMMENDATIONS** | **2013 CABINET RECOMMENDATIONS**  | **ACTION STEPS** |
| Section I.F - Applicability:Recommended applying RFP and Procurement Processes to the Judicial Department | The Judicial Branch is a separate branch of state government with its own authority. | Refer procurement standards to Judicial and encourage their use.  |
| Section I.H 3. Procurement Training:Recommended that all executive branch agencies utilize standard training for all staff with procurement responsibilities. | An agency must provide training for all agency staff charged with procurement responsibilities related to PSAs or POS contracts. The training must educate such staff on the procurement requirements and practices established by OPM’s standards, the agency’s written procedures, and State policies, statutes, and regulations. OPM shall seek to work with State Agencies and provide training tools as needed to help ensure training is consistent with Statewide standards and requirements. | AdministrativeModification in process by OPM & POS contract managers |
| Section II.B.1 - Sole Source Contracts: Recommended changing the criteria required for waivers.  | When a State agency wishes to make a sole source procurement and the anticipated cost or term of the contract exceeds $50,000 or exceeds two years, the agency must request a waiver from competitive solicitation and obtain approval from OPM before discussions are held with any potential contractor.  | Legislation required |
| Section II.B.3 - Waivers from Re-Procurement: Recommended revisiting the factors identified as considerations for a waiver | No proposed changes. | NA |
| Section II.C.2 -Procurement Schedule: Recommended encouraging the state to use the contract monitoring and oversight systems to address poor performing providers. | The procurement schedule is the key component of the agency’s procurement plan. When deciding whether and when to competitively or non-competitively procure a service type, an agency is encouraged to weigh factors such as the following: the number of years since the last competitive procurement for the service; the need to introduce, modify, or discontinue a service, or a service delivery methodology; the risk of disrupting service delivery by changing contractors; the ease or difficulty for (new) potential contractors to enter the market; or the need for greater efficiency (fewer contractors providing a service); or the level of satisfaction or dissatisfaction with a current contractor’s performance. If an Agency has concerns regarding the performance of a particular provider(s) within a service type category, an Agency may determine that it is appropriate to limit the competitive procurement to those particular provider contracts. This provides flexibility to state agencies so they can address concerns with a particular contractor's performance without reprocuring the entire system for that service type. | AdministrativeModification in process by OPM & POS contract managers |
| Section IV. A. - Evaluating the Need: Recommended amending this section, to more concisely and clearly describe when a state agency should engage a contractor. | Before entering into a contract, an agency must first evaluate the need to do so. Primarily related to PSA's, if an agency’s employees lack the necessary expertise, or are already fully committed to other responsibilities, a state agency may choose to purchase services through a contract. An agency should also consider whether another State agency has the resources to provide the service, or whether it is possible to purchase it on a collaborative basis with other State agencies. When feasible, a cost-benefit analysis should be undertaken to justify the contract, if the need is quantifiable. At other times, if costs and/or benefits cannot be quantified and a business case should be developed to establish the merits and desirability of contracting out. The scope and magnitude of such an analysis should relate to the size, complexity, length, and importance of the service involved. State agencies should consider the following factors when determing if they should engage a contractor: (1) the need for outside expertise or assistance, (2) the lack of internal resources, or (3) the need for independent judgment or objectivity. In terms of expertise, a contractor can provide special skills or knowledge that an agency’s regular, full-time employees do not possess. In terms of resources, a contractor can provide a needed service without diverting the efforts of regular employees who may be already committed to other responsibilities. In terms of objectivity, a contractor can provide an unbiased view of an agency’s operations, identify problem areas, or suggest improvements. | AdministrativeModification in process by OPM & POS contract managers |
| Section IV. F - Writing the RFP: Recommended having the option of a "state planning process" prior to the writing of the RFP, to utilize the expertise of stakeholders to determine models, design and program details. | Suggested revision to Section II. C - Procurement Plan:Competitive procurement provides an opportunity for an agency to adopt new or innovative service models that promote the agency’s mission and objectives, as well as keep pace with research advancements, changing demographics, and client needs. In developing such new or innovative service models, an Agency may, as appropriate, seek input from stakeholders, including service recipients and clients, service providers, and other experts, prior to the promulgation of the RFP.  | AdministrativeRevisions to procurement plan guidelines |
| Section IV. F. 4 - Evaluation Criteria: Weight criteria should be clearly identified in the proposal.  | According to State statute, the RFP must include the evaluation criteria, but there is no requirement to disclose the weights assigned to them. Weighting for each section of the RFP should be disclosed unless there are specific and compelling reasons not to disclose weights for a particular program. | AdministrativeModification in process by OPM & POS contract managers |
| Section IV.K.3 - Contractor Selection: Recommend that the language allow for the selection committee to submit their full recommendations for consideration to the agency head. | According to State statutes, the Screening Committee must report the names of the three top ranking proposers for each award to the agency head, who must select the contractor from among these names. In other words, there is a direct reporting relationship between the Screening Committee and the agency head. No other agency personnel shall have any part in evaluating or rating proposals or in determining the names of the three top ranking proposers. After receiving the three names from the Screening Committee, the agency head may, however, consult with the Screening Committee or other agency personnel in making a decision about which of the three names to select.  | AdministrativeModification in process by OPM & POS contract managers |
| Section IV.K.3 Contractor Selection and Timeline: Recommended that the State agencies make a good faith effort to complete contract negotiations within 45 days of notification of the winning bid. | After the agency head makes a selection, the selected proposer is notified and given the opportunity to negotiate a contract with the agency. Such negotiations may, but do not automatically, result in a contract. Once negotiations begin, unsuccessful proposers must also be notified about the outcome and thanked for their interest and participation. All such notifications must be sent/mailed on the same date. The RFP Team is then debriefed and disbanded. The Agency must post the results of the procurement on the Agency website within 15 days of contract execution and, in accordance with CGS §4e-13 on the State Contracting Portal in an effort to improve communication and transparency. The Agency must make a good faith effort to complete the negotiation process within forty-five (45) days of notification of the award and have the resultant contract(s) executed not later than 30 days prior to the contract start date.  | AdministrativeModification in process by OPM & POS contract managers |
| Section V.B Debriefing and Appeal Process: Recommended adding language noting that debriefing is an opportunity for a provider to get feedback on their proposal. Providers will also receive feedback on how their proposal ranked in comparison with other applicants. | If unsuccessful proposers still have questions after receiving this initial information, they may contact the Official Contact and request a meeting with the agency to discuss the evaluation process and their proposals. If held, the debriefing meeting must not include any comparisons of unsuccessful proposals with other proposals, however, the provider who requests a debriefing shall be given information regarding: the number of proposals received; the ranking of their particular proposal; and the scores of their proposal and the successful proposal(s). The agency must schedule and hold the debriefing meeting within fifteen (15) days of the request. | AdministrativeModification in process by OPM & POS contract managers |
| Section V.D.1 - Monitoring Contractors: Recommended adding demonstration of collaboration and process improvement as a part of the contract monitoring process.  | Added the following task - Collaborative discussions geared toward service delivery improvement. | AdministrativeModification in process by OPM & POS contract managers |
| Submission of Proposals: Recommend that state agencies accept electronic submissions of proposals whenever practical.  | State agencies should seek to maximize the use of electronic communications as part of the RFP process. They should also take into consideration both costs to the State and bidders when determining the number of hard copies necessary for the review process.  | AdministrativeModification in process by OPM & POS contract managers |
| Section IV.F.4 - Format for Proposals Recommended amending to recognize that OPM has developed a standard RFP template | According to State statute, a RFP must include instructions about an agency’s required format for proposals. As RFPs may vary from agency to agency, and from project to project within an agency, OPM has not established a “standard proposal format” for all agencies. OPM has, however, established a standard RFP proposal format that may be used for POS Contracts.  | Technical |
| Section IV.F.4 and Section IV G. - Evaluation Criteria and Writing the Evaluation Plan Recommended removing references to "Screening Committee" as the Screening Committees does not typically review rating sheets prior to a RFP release | The rating sheets must be approved by the agency head (or designee) before the RFP is released. The plan must include the rating sheets (with the criteria and weights) that must be used when evaluating the proposals.(IV.F.4) The agency head (or designee) must approve the evaluation plan, including the weighted criteria, before the RFP is released. (IV.G) | AdministrativeTechnical |
| Section IV. K. Selection Factors for Committee MembersModify definition of "End Users."  | End Users. Individuals who will be the ultimate consumers (users) of the services should be involved.  | AdministrativeTechnical  |

**Cost Standards (PENDING APPROVAL BY CABINET 10/30/13)**

The Cabinet made recommendations for modifying the Cost Standards for POS contracts.

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| **COST STANDARDS AREA** | **CABINET RECOMMENDATIONS** | **ACTION STEP** |
| 1. Advertising and Public Relations
 | Allowable Costs:(b) Costs of conducting general liaison with news media or government public relations officers, to the extent that actions are limited to communication or liaison necessary to keep the public informed on matters of public concern, such as notices of contract or grant awards or financial matters or communicating about available services and access to care. | Administrative |
| 1. Advertising and Public Relations
 | Unallowable Costs:Costs of meetings or other events *not related to the state award* (2) Costs of memorabilia, models, gifts, or hospitality suites (3) Costs of advertising or public relations designed solely to promote the organization or solely for fundraising purposes. | Administrative |
| 43. Rental | Unallowable Costs:**c. Unallowable Costs**Unallowable costs include amounts paid for profit, management fees, or taxes that would nothave been incurred had the organization purchased the facility.The issue is a Nonprofit cannot charge fair rental for a building that they own.  They can only change their cost.  This makes it very different for a Nonprofit to purchase a building.  Banks want reserve for item that building need in the future, roofs, painting and etc…   Also, this caused Nonprofits to rent space instead of purchase, which increase the cost to the State.   Nonprofits need to be able to make a return on real estate, in order for the purchase to make economic sense.  Also, they need to be paid for the use of a building when the building is paid for.   | Contract Procurement & Administration Work Group – continue to explore options for receiving and financing “donated property” |
| 49. Taxes | **b. Allowable Costs** *(Note – Need to amend this language to address ACA, the Exchange and taxes related to health insurance provisions by nonprofit providers).* | OPM Secretary determination that ACA penalties are not reimbursable under the Cost Standards (whether called a tax or a penalty) |

**ADDITIONAL RECOMMENDATIONS FOR FUTURE FOCUS OF CABINET WORK**

1. In addition to addressing the recommendations provided above, the Cabinet recommends expanding its focus in the next year to the following areas
2. Expand the Cabinet to include the Commissioners of all ten state agencies that utilize Purchase of Service contracts as well as the Judicial Department
3. Align work of the Cabinet with the work of other state initiatives such as:
* State Innovation Model Grant (SIM) and its Workforce Task Force
* Veteran’s Cabinet
* Population results work occurring through the SIM, State Health Improvement Plan, Children’s Report Card Task Force, individual POS state agencies
* Affordable Care Act rollout and restructuring of healthcare
1. Focus on wage/ pay equity – linked to the predominantly female workforce employed by nonprofit organizations
2. Serve as a “Hot Topic” vehicle providing up-to-date information for nonprofit health and human service providers
3. Serve as a vehicle to promote “best practices”

**APPENDICES**

**HISTORY**

**GOVERNOR’S CABINET ON NONPROFIT HEALTH AND HUMAN SERVICES**

**Report to the Governor - October 1, 2012**

The Cabinet submitted its first report on October 1, 2012.

Report to the Governor: <http://www.ct.gov/opm/lib/opm/assets/temp/governors_np_cabinet_annual_report_final_2012-10-01.pdf>

Cover letter for October 1, 2012 report: <http://www.ct.gov/opm/lib/opm/assets/temp/coverletter.pdf>

**Recommendations and Next Steps – Nonprofit Liaison – December 3, 2012**

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.

**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

For the complete memo see: <http://www.ct.gov/opm/lib/opm/recommendations_to_governor_from_np_liaison_-_governors_cabinet_on_nonprofit_health_and_human_services.pdf>

**Governor’s Charge to the Cabinet - December 10, 2012**

**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
	1. Recommend a plan to work with SDE and the elementary and secondary education systems to train the future workforce
	2. Recommend a plan to work with Higher Ed systems to train the future workforce
	3. Work with DOL to assemble data on nonprofit employment and wages
	4. 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 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,
2. Linking “cross-agency population results” to Purchase of Service (POS) outcome measures
3. Recommending a structure for a “Populations Results Organizing Body”
4. Look at best practices within the state and across the country

**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
6. Assess utilization and limitations of existing bond pools (DDS, DMHAS, DSS, DCF)
7. Assess utilization and limitations of OPM Nonprofit Incentive Grant bond pool
8. Recommend additional bonding options to support the nonprofit provider infrastructure in such areas as Electronic Health Records, IT systems and infrastructure support
9. Monitor status of procurement and action steps recommendations including:
	1. Posting “Principles to Guide the State/Private Nonprofit Provider Partnership”
	2. Training on the principles
	3. Revising procurement standards
	4. Streamlining data reporting requirements
	5. Aggregating audit and other data
	6. Assessing financial health of nonprofit providers
	7. Developing training protocols relating to contract and fee for service reimbursement

**COMMISSION ON NONPROFIT HEALTH AND HUMAN SERVICES**

The Commission on Nonprofit Health and Human Services was the predecessor to the Governor’s Cabinet on Nonprofit Health and Human Services. The Governor’s Cabinet has built on the work of the Commission.

The Commission on Non-Profit Health and Human Services was created by [Special Act 10-5](http://www.cga.ct.gov/2010/ACT/SA/2010SA-00005-R00SB-00316-SA.htm) to analyze the funding provided to non-profit providers of health and human services under purchase of service contracts.  The Act calls for the analysis to include:

(1) A comparison of the costs of services provided by a state agency with the costs of services provided by a private provider, including a comparison of wages and benefits for private union employees, private nonunion employees and state employees.

(2) the cost increases associated with the provision of services by private providers under health and human services programs from 2000 to 2009, inclusive, including increases in the cost of employees' health insurance, workers' compensation insurance, property casualty insurance and utilities.

(3) the projected costs associated with the provision of services by private providers under health and human services programs through December 31, 2014.

(4) a projection of cost savings that may be achieved by serving individuals who are recipients of benefits under health and human services programs in their communities rather than in institutions.

(5) sources of revenue for health and human services programs.

FINAL REPORT: March 31, 2011: <http://www.ct.gov/opm/lib/opm/finance/hhs_commission/final_report_commission_on_nonprofit_health_and_human_services.pdf>

**OPM ANNUAL REPORT ON PURCHASE OF SERVICE CONTRACTS LINK**

This document summarizes information regarding Purchase of Service (POS) contracting activity of State agencies for State fiscal year 2013. As required by Public Act 11-238, this report includes an assessment of the aggregate financial condition of nonprofit, community-based health and human services agencies that enter into POS contracts.

**CABINET WORK GROUP REPORTS**

Please follow the links below to read the final reports submitted by the Cabinet Work Groups. All documents are posted on the Cabinet website. You can also find a link to the Cabinet on the Office of Policy and Management home page. <http://www.ct.gov/OPM/site/default.asp>

**WORK GROUP ON JOBS - FINAL REPORT**

**WORK GROUP ON POPULATION RESULTS –FINAL REPORT**

**WORK GROUP ON CONTRACT PROCUREMENT & ADMINISTRATION –FINAL REPORT**