

Governor's Cabinet on Nonprofit Health and Human Services Summary

I. Background:

Governor Malloy created the Cabinet on Nonprofit Health and Human Services in September 2011. The purpose of the Cabinet is to:

- Analyze existing public-private partnerships with respect to the state's health and human services delivery systems and to make recommendations to the Governor to enhance the effectiveness of those systems in regard to client outcomes, cost-effectiveness, accountability and sustainability.
- The Cabinet serves as a vehicle for providing critical, up-to-date information for nonprofit health and human service providers and a venue to promote best practices.

II. Cabinet Membership

- The Cabinet consists of representation from state agencies and nonprofit organizations that share responsibility for administering health and human services to Connecticut residents. The Cabinet is co-chaired by Luis Pérez, President and Chief Executive Officer of Mental Health Connecticut and Anne Foley, Acting Undersecretary of the Office of Policy and Management (OPM).

The following state agencies are represented on the Cabinet:

- Departments of Children and Families, Correction, Developmental Services, Housing, Mental Health and Addiction Services, Public Health, Rehabilitation Services, and Social Services; Court Support Service Division of the Judicial Branch; Office of Early Childhood; and the Office of Policy and Management.

The following nonprofit agencies are represented on the Cabinet:

- Mental Health Connecticut; BHcare, Inc.; Connecticut Council of Family Service Agency; LifeBridge; Connecticut Institute for Communities; United Way of Connecticut; Community Partners in Action; Hartford Behavioral Health; CCARC, Inc.; Oak Hill; Community Action Agency of New Haven; The Arc of New London County; and the Central Connecticut Coast YMCA.

III. Cabinet Activities

- The Cabinet met for the first time on December 6, 2011 to begin its work.
- Early in the process the Cabinet agreed to convene three working groups to carry out the specific charge of the Cabinet. Several recommendations were adopted by the Cabinet and submitted to the Governor.
- In 2012, the Cabinet worked on recommendations that addressed:
 - How payment rates to providers are determined by the agencies and make recommendations for standardizing the methodology where appropriate. Examine how the method of setting rates reflects/does not reflect the costs involved with providing services and how they can be improved.
 - The Request for Proposal and procurement processes and how they can be used to incentivize strategic partnerships in service delivery.
 - The appropriate use and timing of competitively bidding contracts and how they will affect outcomes and innovative programming.
 - Common cross-agency results and measures to provide strong coordinated health and human services delivery models focused on benefits of those served.
- The Cabinet submitted its first report to the Governor in October 2012. The full report can be found at: [2012 Final Report](#)
- In 2013, the Cabinet worked on recommendations 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.
 - Ensure that program outcomes are linked to broader population measures.
 - Ensure efficiency and cost effectiveness in the state's procurement process while supporting the nonprofit provider infrastructure.
- The Cabinet submitted its second report to the Governor in December 2013. The full report can be found at: [2013 Final Report](#)
- In 2014, the Cabinet worked on developing recommendations in the following areas:
 - Enhancing Financial Viability - Revenue retention of unexpended funds and cost of doing business by providing reimbursements that cover the cost of doing business.

- Supporting the Workforce - Assist nonprofit providers in recruiting, training and retaining staff in health and human service positions, including funding contracts at a level that supports paying a living wage, benefits including healthcare, retirement and life insurance and providing training and supports necessary for employees to move along a career path and to promote advancement in the industry.
- Bonding Opportunities - Support funding for the Nonprofit Grant Program and other state bonding opportunities to better support the needs of nonprofit organizations.
- Contracting Opportunities - Support funding opportunities to support the needs of nonprofits organizations.

➤ The Cabinet submitted its third report to the Governor in December 2014. The full report can be found at: [2014 Final Report](#)

➤ In 2015 -2016, the Cabinet put forth a series of recommendations for the Governor's consideration in the following areas:

Business Practices

- Promulgate information about Pay for Success/Social Innovation
- Expand access to capital and technical assistance
- Boost access to process improvement training and technical assistance
- Share a set of foundational components that support effective collaborations
- Recommend human resource innovations that support nonprofit organizations
- Recommend technology resources that support nonprofit organizations
- Work with the State's Open Data Portal
- Identify frameworks for tracking and analyzing performance measures
- Recommend how increased technical assistance can be provided to nonprofit organizations

Contract Procurement and Administration

- Assess revenue retention pilots
- Survey access to private market capital
- Assess the costs of health care on nonprofit organizations
- Ensure implementation of the Cabinet's recommendation regarding the residential revolving loan fund
- Assess status of nonprofit bonding regarding the Nonprofit Collaboration Incentive Grant Program and Nonprofit Grant Program
- Work on Purchase of Service Contract Reform
- Assess viability of payment reform models for nonprofit organizations

Nonprofit Employment and Training

- Promote career advancement among nonprofit employees
- Promote education and outreach
- Provide guidance in the rollout of the Second Chance Society Initiative

- The Cabinet submitted its fourth report to the Governor in July 2016. The full report can be found at: [2016 Final Report](#)
- The Co-Chairs of the Cabinet met in the summer of 2016 with Governor Malloy to discuss the Cabinet's 2015-2016 recommendations. In general, the Governor supported the Cabinet's recommendations.
- The Governor explicitly supported the recommendations listed below:
 - Nonprofit Grant Program. Continue to support the capital needs of nonprofit providers through issuance of a Request For Applications in the Fall of 2016 through the Nonprofit Grant Program.
 - Board of Regents for Higher Education. Continue to explore approaches for nonprofit organizations to partner with community colleges to enhance educational opportunities for the nonprofit workforce.
 - Rate Setting Office. Pursue the feasibility of establishing a Rate Setting Office.
- The Cabinet continued to work to develop strategies to ensure these recommendations were implemented.
- Since the inception of the Cabinet, the workgroups and subcommittees have successfully come together to produce 62 recommendations that were submitted to the Governor.
- In 2017, the Cabinet took inventory of the Cabinet's 62 recommendations. The Cabinet prioritized and focused on the implementation of a limited number of achievable recommendations.
- The Cabinet engaged in a strategic effort to prioritize its 62 recommendations. The Cabinet's workgroups reviewed past recommendations under each of their respective topic areas to determine whether and how their recommendations have or have not been implemented.
- The workgroups identified 30 of the 62 recommendations that have been implemented and decided to prioritize the remaining 32 recommendations based on the assumption that not all of the remaining recommendations will be implemented. A list of the Cabinet's recommendations that were implemented can be found in Appendix A.
- The Cabinet focused on the implementation of a limited number of achievable recommendations in the following areas:
 - To develop and implement strategies to assist nonprofit providers in recruiting, training and retaining staff in health and human service positions, as well as assisting employees to move along a career path and promote advancement in the industry.

- To compile and share a set of fundamental components that support effective collaboration.
- To promote access to Department of Economic and Community Development (DECD) capital and technical assistance.
- To increase nonprofit access to process improvement and technical assistance.
- To work towards the creation of a consistent, streamlined set of data and reporting methods that can be used uniformly across state agencies through a Lean process improvement initiative.
- To explore the establishment of a Rate Setting Office.
- To examine best practices in Contract Procurement.

➤ Cabinet members recommended that two teams (Team 1 – Human Resources, Collaboration and Technical Assistance and Team 2 – Rates, Contracts, Data Usage and Reporting) be created to replace the existing three workgroups to work on developing strategies for the major recommendations listed above. A list of the Cabinet’s 2018 Priority Recommendations can be found in Appendix B.

➤ The Co-Chairs of the Cabinet met with the Governor in August 2018 to discuss the Cabinet’s 2018 recommendations and implementation strategies presented in the latest Cabinet Report. Overall, the Governor agreed with the recommendations of the Cabinet. The Governor asked for a transition report on the Nonprofit Grant Program and agreed with the Co-Chairs that the transition team for the new administration should be briefed regarding the continuation of the Cabinet.

➤ The Cabinet submitted its fifth report to the Governor in May 2018. The full report can be found at: [2018 Final Report](#)

➤ On September 28, 2018, the Cabinet held a Nonprofit Conference. The purpose of the conference was to increase awareness, knowledge and communication of Connecticut’s resources to enhance performance among nonprofit providers.

Over 160 staff from state and nonprofit agencies attended the half day conference. Governor Malloy gave the opening remarks and Mark Ojakian, President of the Connecticut State Colleges and Universities was the key note speaker. Conference attendees participated in two breakout sessions on topics including: Innovative Employment Opportunities, Leveraging Data as a Strategic Asset, Partner with Connecticut Colleges and Universities, Small Business Express Program and Uniform Electronic Interagency Facility Licensing and Certification Process. Conference attendees also had the opportunity to visit the community resource tables.

IV. **Governor's Nonprofit Initiatives:** The list below are examples of the Governor's initiatives related to nonprofit organizations.

- In September 2011, Governor Malloy created the Cabinet on Nonprofit Health and Human Services.
- The Governor's Nonprofit Grant Program (NGP) was specifically designated for nonprofit community-based organizations that provide health and human services through contracts and agreements with the state. The purpose of the NGP funds is to improve the efficiency, effectiveness, safety and/or accessibility of health and human services being delivered by nonprofit organizations through investing in critical and productivity enhancing capital projects. The eligible projects include facility alterations, renovations, improvements, and additions; new construction; health, safety and Americans with Disabilities Act (ADA) projects; energy conservation improvements; information technology systems; technology that promotes client independence; purchase of vehicles; and acquisition of property. A total of \$105 million has been allocated to 594 projects throughout the state from this program. To date a total of \$61,973,655 of the \$105 million has been disbursed to grantees. Another \$30 million has been authorized in the FY 18/19 budget for the Nonprofit Grant Program.
- The Nonprofit Collaboration Incentive Grant Program (NCIP) was developed to provide grants for one-time infrastructure costs to implement consolidations of programs and services resulting from the collaboration of two or more nonprofit organizations currently providing services in Connecticut. The NCIP was funded by proceeds from State General Obligation Bonds, with \$5 million authorized to support the NCIP. Since 2010, 17 grants were awarded to nonprofit organizations throughout the state under this program. A total of \$4,618,925 of the \$5 million was distributed to grantees.
- In November 2017, the state created a new Licensure and Certification Workgroup to conduct a review of licensure or certification processes for the departments of: Children and Families, Developmental Services, Mental Health and Addiction Services, and Public Health, focusing on coordination of required documentation and inspections for purposes of reducing administrative burdens on state agencies and nonprofit community providers. During the 2018 legislative session, the LCW proposed and the General Assembly passed the following bills.
 - [**Public Act 18-32**](#) - Section 38 of P.A. 18-32 allows DDS to target unannounced licensing visits and eliminates a \$50 provider application fee and the associated paperwork/processing that goes with it and also eliminates a requirement that licensure applications be notarized.
 - [**Public Act 18-67**](#) - P.A. 18-67 makes minor revisions to the DCF statutes and includes a Licensure and Certification Workgroup Lean provision that waives a DCF licensure requirement for DDS Continuous Residential Supports (CRSs).

- **Public Act 18-168** – Section 40 of P.A. 18-168 includes a Licensure and Certification workgroup Lean provision that prohibits DPH from requiring that a health care institution licensure application be notarized.

Below are some examples of the Governor's new initiatives:

- An Innovation Incentive Program for Nonprofit Providers of Human Services (PA 17-22). Through this new program, the OPM Secretary may allow providers to keep certain percentages of savings realized by providers who meet contractual requirements. Eligible entities include nonprofit providers of human services whose contracts do not exceed \$1 million dollars and provide direct services to not more than 150 people in state-funded assistance programs in specific geographic areas of the state.
- The State is administering an innovative new program that helps 500 Connecticut families with young children who are in need of services to help ensure family stability and keep young children with their parents. The Connecticut Family Stability Pay for Success Project combines nonprofit expertise, private funding, and independent evaluation to promote family stability and reduce parental substance use for the Department of Children and Families.
- In 2015, the State of Connecticut has been awarded over \$2.3 million in grants from the United States Department of Justice under the federal Second Chance Act that will help bolster one of the state's criminal justice efforts. The grants, awarded to both the Department of Corrections, the City of New Haven, and a variety of non-profit organizations, will support a wide range of efforts to reduce recidivism and help turn offenders into productive members of society.
- The FY 2018-2019 Budget (PA 18-81) increases funding to the Office of Policy and Management (OPM) by \$31 million in FY 2019 to provide a 1% cost of living adjustment to certain human services providers in nine agencies.
- Special Act 18-5, allows the Office of Policy and Management to increase the wages of certain providers who serve individuals with intellectual disabilities through the Department of Developmental Services.

V. **Conclusion:** Cabinet members strongly encourage the continuation of the Governor's Nonprofit Cabinet after the new administration is in place. The Cabinet serves as a vehicle for providing critical, up-to-date information for nonprofit health and human service providers and a venue to promote best practices. The partnership between the nonprofit providers and state agencies is a productive collaboration to assure opportunity, quality service, and quality of life for all of the state's residents.

The continuation of the Cabinet under a new administration will serve to enhance the public-private partnership that exists in Connecticut, to meet the essential human service needs of its residents, and enhance the quality of life for Connecticut's residents.

APPENDIX A

The list below are examples of the Cabinet's recommendations that were implemented.

Nonprofit Employment and Training

1. Present projected future workforce needs, core competencies, skills, and data on nonprofit employment and wages. The Nonprofit Cabinet will continue to develop and implement strategies to assist nonprofit providers in recruiting, training and retaining staff in the health and human service positions.
 - A report was developed on the current and future workforce needs, core competencies for selected occupations, skills and data on nonprofit wages to assist the nonprofit sector in the development of its workforce. The report identified the following top eight health and human service positions and corresponding salary in Connecticut:

Occupation	Annual Salary
Personal Care Aides	\$24,666
Community & Social Services	\$39,667
Social & Humans Service Assistance	\$33,152
Home Health Aides	\$28,741
Social & Community Service Managers	\$60,484
Child, Family & School Social Workers	\$46,103
Substance Abuse & Behavioral Disorder Counselors	\$45,387
Chief Executives	\$194,788

Since the majority of these positions make less than \$50,000 a year, it is evident that there is a need to research, identify and implement strategies that enable nonprofit organizations to recruit, train and retain a qualified workforce, which includes paying a competitive living wage.

The report identified the core competency information that could be easily accessed by nonprofit organizations to assess and recruit employees. Examples include:

Direct support workers: good literacy and written communication skills, meets minimum educational standards, understands person-centered planning and good interpersonal, and technology skills.

Emerging Leaders: manages resources, fosters teamwork, manages change and crisis, competing interests and be a strategic thinker.

Senior Leadership: vision, consistency, decisiveness, experience, educational achievement, commitment to diversity and accountability.

2. Work with the Department of Veterans Affairs to match health and human services workforce needs to potential workers.

- The Department of Veterans Affairs, through a MOU with DMHAS, partnered with Chrysalis Center, Inc. to offer certificate training to veteran residents residing in the department's residential facilities.

Contract Procurement and Administration

3. Revise the State's Procurement Standards.

- OPM revised the Procurement Standards for Purchase of Service (POS) and Personal Service Agreement (PSA) Contracts. Examples of the POS revisions include:
 - Debriefing and Appeal Process for POS - added specific language on the requirements and timeframes related to debriefing meetings for unsuccessful proposers and instructions on filing an appeal.
 - Pre-Award Requirements - added requirement that a cost effectiveness evaluation or a cost-benefits analysis and business case be developed prior to entering into certain privatization contracts. (A privatization contract is defined as an agreement with a person or entity to provide services substantially similar to and in lieu of services provided in whole or part, by State employees, with exemptions provided for certain contracts with nonprofit agencies, i.e. for profit entities).
 - Competitive Procurement - added specific language to ensure that a resulting contract from a competitive bidding process does not differ substantially from the agency's original requirements, as presented in the RFP.
 - Procurement Training - revised language to clarify that agencies are required to provide training versus training guidance for all agency staff charged with procurement responsibilities related to POS or PSA contracts.

4. Enhance reporting requirements.

- OPM, as well as other state agencies, pursued piloting a contract management module in Core-CT in support of enhanced reporting requirements. OPM worked with staff from state agencies, Accenture consulting and the Core-CT (the statewide financial management system) team to design an online health and human service POS/PSA contracts management system in Core-CT, which has automated and standardized the process. The system allows for an online collaboration between agency staff and contractors related to drafting the contract, as well as internal and external negotiations from inception to finalization. Budget workbooks used for most POS contracts are now in the

Core-CT's system and will be used for budget development and financial reporting purposes.

5. The Nonprofit Grant Program and the Nonprofit Collaboration Incentive Grant Program supported sustainability of private nonprofit providers.
 - The Governor's Nonprofit Grant Program was designed to help nonprofit providers with capital purchases. As of March 2018, \$105 million has been allocated to 594 projects throughout the state from this program. As of March 2018, \$105 million has been allocated to 594 projects throughout the state from this program. To date a total of \$61,973,655 of the \$105 million has been disbursed to grantees. Another \$30 million has been authorized in the FY 18/19 budget for the Nonprofit Grant Program. Additionally, the Nonprofit Collaboration Incentive Grant Program authorized \$5 million to provide grants for one-time infrastructure costs to implement consolidations of programs and services resulting from the collaboration of two or more nonprofit organizations. Since 2010, 17 grants were awarded to nonprofit organizations throughout the state under this program. A total of \$4,618,925 of the \$5 million was distributed to grantees.
6. Create a model for savings reinvestment for nonprofit providers.
 - Public Act 17-122, An Innovation Incentive Program for Nonprofit Providers of Human Services. authorized the Secretary of OPM to establish an incentive program for nonprofit providers of human services that would allow providers to keep a portion of any savings they realize from the contracted cost of services. The Cabinet continues to work toward the implementation of this project.
7. Create a reimbursement model that covers the cost of doing business.
 - Section 27 of Public Act 17-2, June Special Session, allows revenue sharing between DDS/DMHAS and their direct contractors. Ultimately, the Public Act enables providers to retain a portion of their funding when their actual expenditures are less than the amount received. This serves to enhance the nonprofits fiscal health and stability through the infusion of one-time revenues to address various costs such as excess transportation, additional supports, and equipment.

Business Practices

8. Support Pay For Success/Social Innovation.
 - Currently, the Department of Children and Families is administering a Pay for Success Program (PFS). The results of the program will not be available until mid-2019. The Connecticut Family Stability Pay for Success Project is an innovative strategy to better serve families struggling with substance use by expanding an intensive, in-home treatment program to families currently

involved with DCF. The project leverages \$11.2 million of philanthropic and private capital to scale Family-Based Recovery (FBR) to serve approximately 500 families throughout Connecticut over four and a half years. Once a family enrolls with FBR, they receive services focused on understanding and responding to the child's developmental needs and treating substance use for an average of six months.

PFS is a public-private partnership which funds effective social services through a performance-based contract. In addition to the Yale Child Study Center, FBR teams are managed at three different local community health centers: United Child and Family Services, Community Mental Health Affiliates, and Community Health Resources. All three organizations were selected based on their track record of implementing FBR and their fit with project goals. Social Finance is the intermediary for this project.

The Connecticut Family Stability Pay for Success Project will repay funders only if FBR demonstrably produces positive outcomes and benefits for the State. Specifically, the project will measure the impact on four outcomes: 1) prevented out-of-home placements; 2) prevented re-referrals to DCF; 3) reduction in substance use; and 4) successful FBR enrollment.

9. Support the nonprofit community's capacity to use process improvement models by extending the State's Lean consulting contracts to nonprofit providers.
 - Slots to nonprofit providers were offered in September 2014, May 2015, and August 2015. Each session covered Lean 101, which was a three-hour course to orient participants to the Lean concept and provide a foundational understanding of Lean tools, their benefits and how to use them. Nonprofit providers also attended the Lean CT Conference held on June 8, 2018.
10. Boost access for nonprofits to process improvement training and technical assistance through OPM's Office of Statewide Organizational Effectiveness, which oversees the State's Lean Efforts.
 - Public Act 17-21 established a working group of nonprofit and state agencies to review the licensure and certification process and study potential efficiencies. The workgroup members engaged in a five day Lean Event to develop recommendations and strategies to streamline and standardize the process of certain types of facilities licensed by state agencies. The workgroup continues to meet and is currently actively engaged in implementation of the recommendations from the Lean Event.

11. Work with the State's Open Data Portal.

- Through work with the State Open Data Portal in 2014, nonprofit providers may access the State's Open Data Portal to obtain data to assist in their decision-making and planning processes.

12. Host a conference in 2018 designed to increase awareness of Connecticut resources available to nonprofit organizations.

- On September 28, 2018, the Cabinet held a Nonprofit Conference. The purpose of the conference was to increase awareness, knowledge and communication of Connecticut's resources to enhance performance among nonprofit providers.

Over 160 staff from state and nonprofit agencies attended the half day conference. Governor Malloy gave the opening remarks and Mark Ojakian, President of the Connecticut State Colleges and Universities was the key note speaker. Conference attendees participated in two breakout sessions on topics including: Innovative Employment Opportunities, Leveraging Data as a Strategic Asset, Rich with Opportunities, Small Business Express Program and Uniform Electronic Interagency Facility Licensing and Certification Process (Lean). Conference attendees also had the opportunity to visit the community resource tables.

APPENDIX B

Cabinet's 2018 Priority Recommendations

Below is a list of the Cabinet's priority recommendations that will be worked on in 2018.

1. Future of the Cabinet

Cabinet members encourage the continuation of the Governor's Nonprofit Cabinet after the new Administration is in place. The Cabinet was created to analyze existing public-private partnerships with respect to the state's health and human services delivery systems and to make recommendations to the Governor to enhance the effectiveness of those systems in regard to client outcomes, cost-effectiveness, accountability and sustainability. Since 2011, the Cabinet has implemented thirty recommendations that addresses the most pressing issues facing the nonprofit health and human services delivery system in Connecticut. The continuation of the Cabinet under a new Administration will serve to enhance the public-private partnership that exists in Connecticut, to meet the essential human service needs of its residents, and enhance the quality of life for Connecticut's residents.

2. Develop and implement strategies for recruiting, training and retaining staff in health and human service positions, as well as assisting employees to move along a career path and promote advancement in the industry.
 - a) Continue to meet with the Connecticut Board of Regents for Higher Education to develop opportunities for educational partnerships that advance staff within nonprofit organizations.
 - b) Pursue a potential pilot for a "no empty seat initiative", which will allow nonprofit staff to attend college courses by using unused classroom seats.
 - c) Create tools for organizations to communicate internship opportunities to nonprofit agencies that result in effective nonprofit/education collaboration.
3. Compile and share a set of fundamental components that support effective collaboration.
 - a) Create a nonprofit portal including a virtual resource link to be used by nonprofit organizations. The Connecticut State Colleges and Universities (CSCU) and the Connecticut Nonprofit Alliance are having conversations about sharing information related to opportunities within the college system. Working through the Alliance's website they could connect people to CSCU to share information about upcoming

program opportunities. That is the early stage of exchanging information in the form of a portal.

- b) Develop a nonprofit tool box that will provide nonprofit organizations with tools to strengthen their effectiveness in the delivery of health and human services. The Nonprofit Tool Kit has been updated. The Nonprofit Alliance, the colleges and/or the Office of Policy and Management could share and update the toolkit as needed.

4. Promote access to DECD capital and technical assistance.
 - a) Communicate opportunities to nonprofit organizations through DECDs' Small Business Express Programs, such as the revolving loan program. Information on DECD's Small Business Express program was part of a presentation at the September 28, 2018 Nonprofit Conference and is also be available through the nonprofit toolkit.
5. Create a consistent, streamlined set of data and reporting methods that can be used uniformly across state agencies. Review and make recommendations to the Cabinet on cross-agency data management tools that show population level results.
 - a) OPM will convene a working group of representatives from the state POS agencies and an equal number of providers, similar to the group that recently met on licensing issues, to meet and apply Lean process improvement methods regarding POS data collection tools and agency processes around developing and utilizing service level and outcome measures in POS contracts.
6. Exploration of a Rate Setting Office.
 - a) Complete research on models for establishing a Rate Setting Office and recommendations made to the Cabinet.
 - b) Define the true cost of doing business as a nonprofit organization.
 - c) Identify policy changes to prioritize paying for cost of services to ensure sustainability of the Nonprofit Health and Human Services system.
7. Examine best practices in Contract Procurement.
 - a) Identify best practices in contract procurement.
 - b) Identify three best practices for implementation in cooperation with OPM.