


# STATE OF CONNECTICUT

## OFFICE OF POLICY AND MANAGEMENT

### MEMORANDUM

TO: Joette Katz, Commissioner, Department of Children and Families  
Leo C. Arnone, Commissioner, Department of Correction  
Peter H. O'Meara, Commissioner, Department of Developmental Services  
Patricia Rehmer, MSN, Commissioner, Department of Mental Health and Addiction Services  
Jewel Mullen, M.D., MPH, MPA, Commissioner, Department of Public Health  
Michael P. Starkowski, Commissioner, Department of Social Services

FROM: Benjamin Barnes, Secretary, Office of Policy and Management 

SUBJECT: Health and Human Services Purchase of Service Contracting Reforms

DATE: February 1, 2011

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As you know, the State's nonprofit providers are critical partners with your agencies in providing health and human services to many of the State's most vulnerable populations. Governor Malloy is committed to and has placed a high priority on ensuring that these services will be provided and contracted for in a manner that is cost-effective and efficient for both the State and its nonprofit partners.

Recently, there have been a number of efforts underway to review and implement best-practice approaches in regard to contracting for State-funded health and human services. These initiatives include the work of the Commission on Enhancing Agency Outcomes, the Commission on Nonprofit Health and Human Services established by Special Act 10-5, and the work of the Governor's Transition Team in this area. Most importantly, Governor Malloy has appointed Deborah Heinrich as Non-Profit Liaison to the Governor to focus the administration's efforts on ensuring that best practices get implemented with respect to the State's relationships with non-profit health and human services providers.

Following discussions with Deborah, I am writing to seek your assistance and cooperation in the following areas as we begin the initial work of implementing a number of the recommendations that have emerged from these efforts.

- 1. Timely Execution of Contracts.** The late execution of contracts imposes costs on nonprofit providers and is not an acceptable business practice for either the State or its providers. The goal is to have all contracts for new services or renewals signed not later than 15-30 days prior to the contract's effective date. OPM is asking that you implement the steps necessary to ensure 95 percent or more of contracts are executed no fewer than 15 days prior to the

commencement of services. An action plan in this regard, using the attached template, should be submitted to Wanda Dupuy ([wanda.dupuy@ct.gov](mailto:wanda.dupuy@ct.gov)) at OPM by March 31, 2011.

2. **Multi-Year and Consolidated Contracts.** By having contracts of an appropriate term and by consolidating the number of contracts an agency has with the same provider, the State can reduce the overall number of contracts and the associated administrative burdens imposed on both State agencies and nonprofit providers. In this regard, we are requesting that you again provide OPM with an action plan to reduce the average number of contracts your agency has with individual nonprofit providers. This plan should also be submitted to Wanda Dupuy not later than March 31, 2011 using the attached template.
3. **Multi-Agency Work Group to Streamline and Standardize Contracting Systems.** Deborah Heinrich and Robert Dakers of OPM will be co-chairing a work group that will seek to implement a number of the efficiencies recommended in the following areas:
  - Timely Payments and Electronic Payments/Fund Transfers
  - Budget Flexibility
  - Reporting Requirements and Systems

I am requesting that you assign a designee to this internal work group who would be empowered to speak for and help carry forward the changes agreed to by the work group. Please submit your designation to Wanda Dupuy by February 11, 2011. The work group will be charged with reporting back within 60 days of its commencement.

Thank you for your anticipated cooperation as we begin work on these high priority matters for Governor Malloy's administration. Please contact Robert Dakers at OPM (860 418-6422 or [robert.dakers@ct.gov](mailto:robert.dakers@ct.gov)) or Wanda Dupuy (860 418-6261 [wanda.dupuy@ct.gov](mailto:wanda.dupuy@ct.gov)) with any questions you may have in this regard.

#### Attachments

Cc: Deborah Heinrich, Non-Profit Liaison to the Governor  
Mark E. Ojakian, Deputy Secretary, OPM  
Anne Foley, Undersecretary for Planning and Policy Development, OPM  
Robert S. Dakers, Executive Finance Officer, OPM

**POS – Timely Contracts**

Agency Name: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Telephone No.: \_\_\_\_\_

*Provide SFY 2010 data for all POS contracts (new, renewed, and amended):*

	New/Renewed	Amended
Number of Contracts Executed:	<input type="text"/>	<input type="text"/>
Number of Contracts Executed (More than 15 Days) Before Start Date:	<input type="text"/>	<input type="text"/>
Number of Contracts Executed (Less than 15 Days) Before Start Date:	<input type="text"/>	<input type="text"/>
Number of Contracts Executed After Start Date:	<input type="text"/>	<input type="text"/>
Number of Contracts Executed More Than 30 Days After Start Date:	<input type="text"/>	<input type="text"/>

*An agency is expected to execute 95% or more of its POS contracts not later than 15 days BEFORE the contract start date. If your agency does not meet this expectation based on the data provided above, please develop a corrective action plan that includes the following information on an attached sheet.*

**Corrective Action Plan**

1. Estimated timeframes and target dates for achieving the 95% goal for both New/Renewed and Amended Contracts.
2. Description of any anticipated difficulties in meeting the goal, and strategies for overcoming them.
3. Description of any process improvements that your agency intends to implement to meet the goal.
4. Description of how your agency will monitor and measure progress toward the goal.

**POS – Multi-Year & Multi-Program\* Contracts**

\* Also referred to as "consolidated" contracts.

Agency Name: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Telephone No.: \_\_\_\_\_

*Provide SFY 2010 data for all POS contracts (new, renewed, and amended):*

Number of (Single-Year, Single Program) Contracts Executed: \_\_\_\_\_

Number of (Single-Year, Multi-Program) Contracts Executed: \_\_\_\_\_

Number of (Multi-Year, Single Program) Contracts Executed: \_\_\_\_\_

Number of (Multi-Year, Multi-Program) Contracts Executed: \_\_\_\_\_

Average Number of Contracts Per Provider: \_\_\_\_\_

*An agency is expected to reduce the "Average Number of Contracts Per Provider" through the appropriate use of Multi-Year and Multi-Program contracts. Please develop an action plan that includes the following information on an attached sheet.*

**Corrective Action Plan**

1. Targeted percentages for Multi-Year Contracts, Multi-Program Contracts, and Average Number of Contracts Per Provider.
2. Estimated timeframes and target dates for achieving the targets (above).
3. Description of any anticipated difficulties in meeting the goal, and strategies for overcoming them.
4. Description of any process improvements that your agency intends to implement to meet the goal.
5. Description of how your agency will monitor and measure progress toward the goal.