



General Assembly

February Session, 2026

Substitute Bill No. 498



AN ACT CONCERNING PENALTIES FOR TARDY PAYCHECKS FOR PERSONAL CARE ATTENDANTS AND EXPANDING PUBLIC ACCESS TO STATE PROGRAMS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2026*) (a) As used in this section and
2 sections 2 to 5, inclusive, of this act, (1) "self-directed home care
3 programs" means Medicaid-funded programs that allow a consumer to
4 hire a personal care attendant, (2) "consumer" and "personal care
5 attendant" have the same meanings as provided in section 17b-706 of
6 the general statutes, (3) "department" means the Department of Social
7 Services, (4) "electronic visit verification system" means the system used
8 to record visits to a consumer by a personal care attendant, and (5) "fiscal
9 intermediary" means the organization that contracts with the
10 department to provide payroll, taxes and administrative services for
11 self-directed home care programs.

12 (b) The Commissioner of Social Services shall post quarterly reports
13 concerning the fiscal intermediary's performance of contractual duties
14 for self-directed home care programs on the department's Internet web
15 site and file such reports, in accordance with the provisions of section
16 11-4a of the general statutes, with the joint standing committees of the
17 General Assembly having cognizance of matters relating to human
18 services and labor. Except for public records exempted from disclosure
19 under section 1-210 of the general statutes, the reports shall contain the

20 following information, commencing with information from the
21 quarterly period beginning on April 1, 2024:

22 (1) The most recent completed audited financial statements of the
23 fiscal intermediary;

24 (2) All personal care attendant timesheet reports, including, but not
25 limited to, reports containing the (A) number of weekly consumer-
26 approved timesheets submitted, (B) number submitted on time, (C)
27 number resubmitted after correction, (D) number paid on time, (E)
28 timesheet processing error rate, (F) payroll processing error rate, and (G)
29 number and amount of penalties levied, on a monthly and weekly basis,
30 against the fiscal intermediary for violating provisions of the contract
31 concerning timesheets;

32 (3) All budget reports, customer service telephone call center reports
33 and service level agreement reports;

34 (4) The number of and average response time to general customer
35 service requests and the amount and number of penalties levied, on a
36 monthly and weekly basis, against the fiscal intermediary for violations
37 of the contract concerning response time for customer service requests;
38 and

39 (5) The (A) number of telephone calls, voice mail messages, electronic
40 mail messages and telephonic text messages received by the fiscal
41 intermediary from consumers and personal care attendants, (B) number
42 of instances in which such calls or messages were responded to by the
43 fiscal intermediary in the contractually required time period and the
44 means of response by the fiscal intermediary, and (C) number and
45 amount of penalties levied against the fiscal intermediary, on a monthly
46 and weekly basis, for violations of the provisions of the contract
47 concerning response time to inquiries from such consumers and
48 personal care attendants.

49 Sec. 2. (*Effective from passage*) (a) The Secretary of the Office of Policy
50 and Management, in consultation with the Commissioner of Social

51 Services, shall conduct a cost-benefit analysis on (1) transferring fiscal
52 intermediary duties for self-directed home care programs from a private
53 contractor to the state, and (2) authorizing access by personal care
54 attendants not eligible for medical assistance established pursuant to
55 Title XIX or Title XXI of the Social Security Act or the Covered
56 Connecticut program established pursuant to section 19a-754c of the
57 general statutes to a health insurance program subsidized by the state.

58 (b) The cost-benefit analysis shall document the direct and indirect
59 costs, savings, and qualitative and quantitative benefits of state-
60 administered management of duties performed by a privately
61 contracted fiscal intermediary, including, but not limited to:

62 (1) The costs of timesheet processing errors by a privately contracted
63 fiscal intermediary to consumers, personal care attendants and the state
64 and recommendations and benefits relating to ensuring accuracy of
65 timesheet processing;

66 (2) The effects of timesheet processing errors and health insurance
67 costs on the retention rate of personal care attendants and related costs
68 to the state;

69 (3) Effectiveness of communication of eligibility changes to
70 consumers and programmatic changes to personal care attendants and
71 benefits of improving, if warranted, such communication; and

72 (4) Cost benefits to the state of managing fiscal intermediary duties
73 and retaining related infrastructure rather than contracting out such
74 services.

75 (c) Not later than October 1, 2026, the secretary, in consultation with
76 the Commissioner of Social Services, shall file a report, in accordance
77 with the provisions of section 11-4a of the general statutes, with the joint
78 standing committees of the General Assembly having cognizance of
79 matters relating to human services and labor with (1) the results of the
80 cost-benefit analysis, and (2) a plan for state administration of such fiscal
81 intermediary duties if the cost-benefit analysis shows cost benefits to the

82 state.

83 Sec. 3. (NEW) (*Effective July 1, 2026*) The Auditors of Public Accounts
84 shall annually conduct a contract compliance audit of the fiscal
85 intermediary contracted with the Department of Social Services to
86 provide fiscal intermediary services for self-directed home care
87 programs. The Auditors of Public Accounts shall file a report on their
88 findings, in accordance with the provisions of section 11-4a of the
89 general statutes, with the joint standing committees of the General
90 Assembly having cognizance of matters relating to human services and
91 labor.

92 Sec. 4. (NEW) (*Effective July 1, 2026*) (a) On and after August 31, 2026,
93 any contract entered into, amended or renewed by the Department of
94 Social Services for fiscal intermediary services for self-directed home
95 care programs, or department administrative policy for such programs
96 if the department does not contract out such services, shall include
97 financial penalties for failure to timely process payroll for personal care
98 attendants in addition to interest of twelve per cent per annum for
99 paychecks in arrears for two or more pay periods where interest accrued
100 exceeds ten dollars. Such penalties shall be payable per pay period by a
101 contractor or the department, as applicable, to a personal care attendant
102 in accordance with the provisions set forth in subparagraphs (A) to (E),
103 inclusive, of subdivision (3) of this subsection, provided (1) the personal
104 care attendant has logged or attempted to log hours prior to the time
105 submission deadline for the applicable pay period; (2) the hours have
106 been approved by the consumer who hired the personal care attendant;
107 and (3) the hours approved by the consumer do not exceed the hours
108 allotted to the consumer under such consumer's care plan:

109 (A) Twenty-five dollars for tardy paychecks exceeding ninety-nine
110 dollars but not exceeding two hundred fifty dollars;

111 (B) Thirty-five dollars for tardy paychecks exceeding two hundred
112 fifty dollars but not exceeding five hundred dollars;

113 (C) Forty-five dollars for tardy paychecks exceeding five hundred

114 dollars but not exceeding seven hundred fifty dollars;

115 (D) Fifty-five dollars for tardy paychecks exceeding seven hundred
116 fifty dollars but not exceeding one thousand dollars; and

117 (E) Sixty-five dollars for tardy paychecks exceeding one thousand
118 dollars.

119 (b) In addition to the penalties for tardy pay pursuant to subsection
120 (a) of this section, any contract entered into, amended or renewed by the
121 Department of Social Services for fiscal intermediary services for self-
122 directed home care programs on and after August 31, 2026, shall require
123 a contracted fiscal intermediary, or the department if the department
124 does not contract out such services, to pay for damages resulting from
125 tardy payments to personal care attendants of twenty-five dollars or
126 more that have been documented by an employee organization, as
127 defined in section 5-270 of the general statutes, representing such
128 personal care attendants and approved by the Personal Care Attendant
129 Workforce Council established pursuant to section 17b-706a of the
130 general statutes. If the council and employee organization disagree on
131 whether damages are sufficiently documented, either the council or the
132 employee organization may proceed to arbitration on an expedited
133 basis. For purposes of this subsection, damages may include, but are not
134 limited to, the amount of late fees on rent or utilities and bank overdraft
135 charges assessed against a personal care attendant in the thirty-day
136 period preceding the issuance of a tardy paycheck. Such fees or charges
137 shall be documented by original bills or notices.

138 (c) The Department of Social Services may assess additional penalties
139 against any fiscal intermediary contracted with the department for self-
140 directed home care services on and after August 31, 2026, for failing to
141 make timely payments pursuant to contractual provisions subject to
142 subsections (a) and (b) of this section, including, but not limited to,
143 interest on late payments at a rate equal to the monthly effective yield
144 for the Short Term Investment Fund administered by the Treasurer
145 pursuant to sections 3-27a to 3-27j, inclusive, of the general statutes.

146 Sec. 5. (NEW) (*Effective July 1, 2026*) On and after August 31, 2026, any
 147 contract entered into, amended or renewed by the Department of Social
 148 Services for fiscal intermediary services for self-directed home care
 149 programs, or department administrative policy for such programs if the
 150 department does not contract out such services, shall include financial
 151 penalties for a contractor or the department when the contractor or
 152 department uses an electronic visit verification system that (1) includes
 153 hours for a personal care attendant that exceed the hours allotted to the
 154 consumer employing such personal care attendant under such
 155 consumer's care plan, or (2) otherwise incorrectly indicates hours are
 156 available and reimbursable under state or federal law. Such penalties
 157 shall be the rates payable to a personal care attendant for such hours, at
 158 normal or overtime rates, as applicable, provided the personal care
 159 attendant (A) has logged or attempted to log hours on the electronic visit
 160 verification system prior to the time submission deadline for the
 161 applicable pay period; (B) the hours have been approved by the
 162 consumer who hired the personal care attendant; and (C) the personal
 163 care attendant has worked such hours. Such penalties shall be paid to
 164 the personal care attendant through the normal payroll process.

165 Sec. 6. (NEW) (*Effective July 1, 2026*) A state agency, as defined in
 166 section 4-37e of the general statutes, and any private organization
 167 contracting with a state agency, shall ensure that all communications
 168 with the public or any of their employees serving the public, including,
 169 but not limited to, any electronic system an employee uses to log hours
 170 worked, (1) comply with the requirements for effective communications
 171 under 28 CFR 35.160 et seq., and (2) are offered in a language designated
 172 for a municipality where a member of the public or such employee
 173 resides in accordance with the provisions of section 9-368l of the general
 174 statutes concerning elections communications.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2026</i>	New section
Sec. 2	<i>from passage</i>	New section

Sec. 3	<i>July 1, 2026</i>	New section
Sec. 4	<i>July 1, 2026</i>	New section
Sec. 5	<i>July 1, 2026</i>	New section
Sec. 6	<i>July 1, 2026</i>	New section

Statement of Legislative Commissioners:

The title was changed; Section 1(b) was redrafted for clarity; in Section 1(b)(3), "reports" was inserted after "budget" and "call center" for clarity; in Section 1(b)(5)(A) "messages" was inserted after "mail" and "by the fiscal intermediary" was inserted after "received", for clarity; in Section 1(b)(5)(B), "number responded to" was changed to "number of instances in which such calls or messages were responded to by the fiscal intermediary", for clarity; in Section 1(b)(5)(C), "violating" was changed to "violations of the" for clarity; and in Section (4)(b), "tardy pay" was changed to "tardy payments to personal care attendants", for clarity.

HS *Joint Favorable Subst. -LCO*