

# OFFICE OF FISCAL ANALYSIS

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<http://www.cga.ct.gov/ofa>

sHB-6450

AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET  
RECOMMENDATIONS CONCERNING PUBLIC HEALTH.

## **OFA Fiscal Note**

### **State Impact:**

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
Department of Revenue Services	GF - Revenue Loss	1.3 million	2.5 million
Resources of the Insurance Fund	IF - Revenue Loss	462,500	925,000
The Exchange	Other - Cost	Up to 650,000	650,000
The Exchange	Other - Revenue Gain	Up to 650,000	650,000
Office of Health Strategy	GF - Cost Avoidance	Up to 650,000	650,000
Department of Revenue Services	GF - Cost	42,933	88,441
State Comptroller - Fringe Benefits <sup>1</sup>	GF - Cost	17,731	36,526
Mental Health & Addiction Serv., Dept.	GF - Cost	At least 33,750	At least 77,096
State Comptroller - Fringe Benefits	GF - Cost	At least 13,939	At least 28,950

Note: GF=General Fund; IF=Insurance Fund

**Municipal Impact:** None

### **Explanation**

The bill, which bans flavored e-cigarette and vapor products, results in a General Fund revenue loss of \$1.3 million in FY 22 (partial year) and \$2.5 million in FY 23 and annually thereafter, as well as the

<sup>1</sup>The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.3% of payroll in FY 22 and FY 23.

following impacts:

**Section 3** results in a cost of at least \$33,750 in FY 22 and \$70,096 in FY 23 (with associated fringe benefit costs of \$13,939 and \$28,950, respectively) to the Department of Mental Health and Addiction Services (DMHAS) to support at least one Special Investigator to comply with the unannounced compliance checks required under the bill.

**Section 3** also results in a cost of \$60,664 in FY 22 (partial year funding) and \$124,967 in FY 23, inclusive of fringe benefit costs, for one Hearings Officer at the Department of Revenue Services.

**Section 7** requires the Connecticut Health Insurance Exchange ("Exchange")<sup>2</sup> to fund the All-Payer Claims Database (APCD) through an agreement with the Office of Health Strategy (OHS),<sup>3</sup> which results in an annual cost to the Exchange of approximately \$650,000 and eliminates an annual cost to OHS of an identical amount. It also results in a revenue gain to the Exchange of approximately \$650,000 annually, as it is required to increase its assessment on health carriers or charge them user fees to support the APCD. As this section is effective 1/1/22, it is unclear if the Exchange will provide full or partial year funding in FY 22.

**Section 8** requires that the Insurance Fund (IF) assessment for OHS be reduced by the amount of federal Medicaid revenue received by the state as reimbursement for the agency's Health Information Exchange efforts. This results in a reduction to the IF of approximately \$462,500 in FY 22 (half-year) and \$925,000 in FY 23 (annualized).

### ***The Out Years***

The annualized ongoing fiscal impact identified above would

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<sup>2</sup> The Exchange, also known as Access Health CT, is a quasi-public state agency that is funded primarily through an assessment on health carriers that are capable of offering a qualified health plan through the Exchange.

<sup>3</sup> Public Act 18-91 transferred responsibility for the APCD from the Exchange to OHS in 2018.

continue into the future subject to inflation.

*Sources: Centers for Disease Control and Prevention Morbidity and Mortality Weekly  
Report 9/18/2020  
Testimony of Office of Policy and Management Secretary, Melissa McCaw  
US Department of Health and Human Services*