

# OFFICE OF FISCAL ANALYSIS

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SB-1004

AN ACT CONCERNING DENTAL AND VISION INSURANCE  
COVERAGE FOR CHILDREN, STEPCHILDREN AND OTHER  
DEPENDENT CHILDREN.

As Amended by Senate "A" (LCO 8993)

House Calendar No.: 539

Senate Calendar No.: 208

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## ***OFA Fiscal Note***

### ***State Impact:***

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
Comptroller	GF - Cost	None	See Below
ACA	GF - Cost	See Below	See Below

Note: GF=General Fund

### ***Municipal Impact:***

Municipalities	Effect	FY 22 \$	FY 23 \$
Various Municipalities	STATE MANDATE <sup>1</sup> - Cost	See Below	See Below

### ***Explanation***

The bill as amended will result in a cost starting in FY 23 from requiring both the state employee and retiree dental and health plans to maintain dental and vision coverage for certain dependents until the age of 26; coverage is currently until age 18. The state dental plan is fully insured with new rates effective each July 1<sup>st</sup>. Therefore, there is likely no impact to the state plan in FY 22. The bill will increase dental premiums for fully insured municipalities and will be realized in

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<sup>1</sup> State mandate is defined in Sec. 2-32b(2) of the Connecticut General Statutes, "state mandate" means any state initiated constitutional, statutory or executive action that requires a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

premiums when they enter into a new policy after January 1, 2022.

Pursuant to federal law, the state employee and retiree health plans are exempt from state health mandates. However, the plans have traditionally adopted such mandates.

In addition, many municipal health plans are recognized as “grandfathered” health plans under the Affordable Care Act (ACA).<sup>2</sup> It is unclear what effect the adoption of certain health mandates will have on the grandfathered status of certain municipal plans under ACA. Pursuant to federal law, municipalities with self-insured plans are exempt from state insurance mandates.

Lastly, the bill will result in a cost to the state pursuant to the ACA, to the extent the provisions of the bill are interpreted to require the expansion of the pediatric dental and vision benefits provided to comply with the essential health benefit (EHB) requirement.<sup>3</sup> While states are allowed to mandate benefits in excess of the EHB, federal law requires the state to defray the cost of any such additional mandated benefits for all plans sold in the Exchange, by reimbursing the carrier or the insured for the excess coverage. Absent further federal guidance, state mandated benefits enacted after December 31, 2011 cannot be considered part of the EHB unless they are already part of the benchmark plan.<sup>4</sup>

Senate "A" strikes the underlying bill and results in the fiscal impact described above.

*The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.*

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<sup>2</sup> Grandfathered plans include most group insurance plans and some individual health plans created or purchased on or before March 23, 2010.

<sup>3</sup> There are approximately 9,000 Exchange plan members between the ages of 19-26. (Source: Access Health CT)

<sup>4</sup> The ACA provision does not apply to stand alone dental policies or those policies provided as a rider to the health policy.