

# OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200  
Hartford, CT 06106 ◊ (860) 240-0200  
<http://www.cga.ct.gov/ofa>

---

SB-364

AN ACT CONCERNING HEALTH INSURANCE.

As Amended by Senate "A" (LCO 5566)

House Calendar No.: 554

Senate Calendar No.: 234

---

## ***OFA Fiscal Note***

***State Impact:*** None

***Municipal Impact:***

| <b>Municipalities</b>  | <b>Effect</b>                           | <b>FY 23 \$</b> | <b>FY 24 \$</b> |
|------------------------|---|-----------------|-----------------|
| Various Municipalities | STATE<br>MANDATE <sup>1</sup> -<br>Cost | See Below       | See Below       |

## ***Explanation***

The bill prohibits the use of step therapy for treatment of additional conditions and diseases, which does not result in a fiscal impact to the state employee and retiree health plan or municipalities that participate in the Partnership Plan, as step therapy is not required by the plans.

The bill results in a cost for certain fully insured municipal plans that currently require step therapy for conditions specified in the bill, to the extent it results in higher prescription drug costs that are passed on in the form of higher premiums. Costs to fully insured municipalities will be reflected in premiums for plan years beginning on or after January 1, 2023.

---

<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.

Senate "A" strikes the underlying bill and its associated fiscal impact, thus replacing the bill and resulting in the fiscal impact described above.

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

The fiscal impact in the out years will vary based on the actual increases to premiums.

*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.*