

OFFICE OF FISCAL ANALYSIS

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HB-5400

AN ACT CONCERNING THE REGULATION OF INSURANCE IN
THE STATE.

AMENDMENT

LCO No.: 6438

File Copy No.: 302

House Calendar No.: 232

OFA Fiscal Note

See Fiscal Note Details

The amendment strikes the underlying bill and its associated fiscal impact, resulting in the fiscal impacts described below.

Section 1 modifies statutes related to step therapy overrides in ways that are not anticipated to result in a fiscal impact to the state or municipalities.

Section 2 establishes a task force to study data collection efforts regarding step therapy, which has no fiscal impact because PA 17-236 prohibits transportation allowances for task force members.

Sections 3-5 apply the state's copay accumulator program prohibition to high deductible health plans to the maximum extent permitted by federal law, which results in no fiscal impact to the state and municipalities.

Sections 6 and 7 of the amendment extends the notification period that insureds must notify insurers regarding the birth of a child, from 61 days to 91 days. The amendment specifies that claims during the extended period are not prejudiced if notification or payment of premium is not provided, and therefore there is no anticipated impact to premiums to the state employee health plan, the Exchange, or

municipal plans.

Sections 8-13 require the Department of Consumer Protection (DCP) to establish a Canadian Legend Drug Importation Program (CLDIP) resulting in costs of approximately \$75,000 to DCP (salary) and \$30,398 to OSC (fringe benefits) in FY 23, and \$90,418 to DCP (salary) and \$36,646 to OSC (fringe benefits) in FY 24 and each fiscal year thereafter. In FY 23 only, a six-month durational Project Manager is needed to submit a request to the federal Secretary of Health and Human Services for approval to establish the CLDIP. Assuming federal approval is granted, a full-time Drug Control Agent will be needed to run the program beginning in FY 24.

Section 14 requires the Office of Health Strategy (OHS) to prepare and submit a report on pharmacy benefit manager distribution of prescription drug practices regarding spread pricing arrangements, manufacturing rebates and transparency and accountability. OHS will need to hire a consultant, with a one-time cost estimated at \$300,000 to prepare this report as OHS staff does not have expertise in this area.

Section 15, which requires the State Comptroller to prepare and submit a report, has no fiscal impact since the agency has enough expertise within existing staff resources to conduct the study.

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.