

OFFICE OF FISCAL ANALYSIS

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SB-364

AN ACT CONCERNING HEALTH INSURANCE. AMENDMENT

LCO No.: 5670

File Copy No.: 315

Senate Calendar No.: 234

OFA Fiscal Note

State Impact:

| Agency Affected | Fund-Effect | FY 23 \$ | FY 24 \$ |
|-----------------|--------------------|-----------|-----------|
| Insurance Dept. | IF - Indeterminate | Potential | Potential |

Note: IF=Insurance Fund

Municipal Impact: None

Explanation

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

The amendment may result in a change in costs and an equally sized change in revenue to the Insurance Department (DOI) associated with the Health Benefit Review Program (HBRP). Unchanged by the amendment, costs of the program are reimbursed by domestic carriers, so there is no anticipated net fiscal impact to the state.

To the extent that the amendment's modifications to the mandate process result in more or more frequent referrals to the HBRP, DOI will incur more contract costs to analyze the mandate proposals. The most recent review was conducted in FY 15 at a cost of \$536,029.

On a per-review basis, the amendment's provisions are likely to result in savings compared to current law. Specifically, limits to the number

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and type of mandates, changes to the criteria that must be evaluated, and the potential for competitive bidding may result in contract cost savings when reviews are conducted.