

# OFFICE OF FISCAL ANALYSIS

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

SB-6

AN ACT CONCERNING UTILIZATION REVIEW AND HEALTH CARE CONTRACTS, HEALTH INSURANCE COVERAGE FOR NEWBORNS AND STEP THERAPY.

As Amended by Senate "A" (LCO 8168), Senate "B" (LCO 8181)  
Senate Calendar No.: 197

---

## ***OFA Fiscal Note***

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

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
State Comptroller - Fringe Benefits	GF - Potential Cost	See Below	See Below

Note: GF=General Fund

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

Municipalities	Effect	FY 24 \$	FY 25 \$
Various Municipalities	Potential Cost	See Below	See Below

### ***Explanation***

The bill makes various changes related to health insurance and utilization review, resulting in the fiscal impacts described by section below.

**Sections 1 - 2** prohibit the requirement of utilization review for already approved prescription drugs used to treat an autoimmune disorder, multiple sclerosis, or cancer after January 1, 2025. This decreases the health carriers' ability to lower costs, and in turn may impact state and municipal health plans through increased premiums in FY 25.

**Section 3** shortens several of the maximum timeframes for insurers

to notify insureds of their utilization review decisions. As these provisions impact private entities, there is no anticipated fiscal impact to the state or municipalities.

**Sections 4 - 5** extend the time frame insurers must provide for notice of birth of a newborn from sixty-one days to ninety-one days, which may result in a fiscal impact to the state and municipal plans to the extent that the number of claims increases.

**Sections 6 - 7** reduce the time period from sixty to thirty days for the use of step therapy, which results in a potential cost to the state and municipal plans through increases in drug usage within a shortened time frame and administrative costs. The amendment also eliminates step therapy for certain behavioral health conditions for three years. This has no fiscal impact on the state, however, may impact certain municipal plans that require step therapy.

**Section 8** establishes a task force to study data collection efforts regarding step therapy, which has no fiscal impact because the task force is anticipated to have the expertise to meet the requirements of the bill.

**Sections 9 - 10** require health carriers to submit additional information annually to the Insurance Department (DOI) related to prior authorization, which DOI must incorporate into an existing agency report. This has no anticipated fiscal impact to the state as DOI has the expertise to meet the requirements of the bill.

**Section 11**, which requires providers to use a health carrier's electronic program for prior authorization, does not result in a fiscal impact to UConn Health Center.

House "A" strikes the underlying bill and its associated fiscal impact, resulting in the fiscal impact described above (except for the impact of House "B", described below).

House "B" changes the effective date of Section 2 (in the bill as amended by House "A") from January 1, 2024, to January 1, 2025,

delaying by one year the potential costs associated with that section.

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

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of claims filed and usage reflected in higher premiums.

*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.*