

# OFFICE OF FISCAL ANALYSIS

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

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May 17, 2023

## ADDENDUM

To Fiscal Note on LCO No. 7894  
SB-6, File No. 337

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

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Additional information has clarified that the Insurance Department (DOI) would incur a one-time cost, anticipated to be incurred in FY 25 and estimated at \$50,000 to \$100,000, to set up an automated electronic system to comply with **Section 2** of the amendment.<sup>1</sup>

DOI does not currently have such technical capability and would need to procure an appropriate software system and have staff trained to use it. The potential volume of appeals is anticipated to be too great to be handled manually by existing staff.

Ongoing costs of approximately \$3,000-\$5,000 per year for system maintenance are anticipated to begin in FY 26 and continue annually thereafter.

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<sup>1</sup> The Insurance Department is funded through the Insurance Fund, which is supported by assessing domestic insurers to cover the costs of various agencies and accounts.