

# OFFICE OF FISCAL ANALYSIS

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SB-6

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

AMENDMENT

LCO No.: 8168

File Copy No.: 337

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***

**Section 2** prohibits the repeated use of utilization review for prescription drugs used to treat certain conditions. This decreases the health carriers' ability to lower costs, and in turn may impact state and municipal health plans through increased premiums.

**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

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of birth of a newborn, 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 amendment.

**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 amendment.

**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.

*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.*