

OFFICE OF FISCAL ANALYSIS

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SB-1

AN ACT CONCERNING THE HEALTH AND SAFETY OF
CONNECTICUT RESIDENTS.

AMENDMENT

LCO No.: 5639

File Copy No.: 315

House Calendar No.: 461

Senate Calendar No.: 196

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 25 \$	FY 26 \$
Insurance Dept.	IF - Revenue Gain	See Below	See Below
Insurance Dept.	IF - Cost	See Below	See Below

Note: IF=Insurance Fund

Municipal Impact: None

Explanation

The amendment modifies the Health Benefit Review Program (HBRP), which could result in a cost and an equivalent increase in revenue to the Insurance Fund, beginning in FY 25.

Under the program, the Insurance Department (DOI) contracts with outside entities to conduct reviews of proposed health insurance benefit mandates. These contract costs are paid for through an assessment on insurers, so the amendment's changes to the program are not anticipated to result in a net fiscal impact to the state.

Costs to DOI (and offsetting revenue) under the amendment are anticipated to range between \$65,000 and \$75,000 per health benefit

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mandate reviewed each fiscal year. The amendment makes various changes that impact costs under the program.

First, the amendment may increase the frequency with which reviews are conducted (increasing costs), by annually requiring the Insurance and Real Estate Committee's chairs and ranking members to review each proposed mandated health benefit that received a public hearing in any committee by the last committee's joint favorable deadline for that legislative session. As the request of one chair and one ranking member, any of those mandates may be selected for evaluation under the HBRP. The last time the program reviewed mandates was in FY 15; however, more than 22 proposed mandates have had public hearings across the last four sessions.

Second, the amendment makes changes that are likely to reduce the cost per mandate when such reviews occur (resulting in the \$65,000 to \$75,000 per mandate cost). The amendment also allows DOI to contract directly with an actuarial accounting firm to conduct the reviews and reduces the criteria that must be included in the report for each benefit mandate.

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.