OFFICE OF FISCAL ANALYSIS

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sHB-6091 AN ACT CONCERNING AN EQUITABLE MEDICAID AUDIT, BILLING AND REIMBURSEMENT POLICY FOR PHARMACIES.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Social Services, Dept.	GF - Cost	See Below	See Below
Note: GF=General Fund			

Municipal Impact: None

Explanation

The bill is anticipated to result in a cost to the Department of Social Services (DSS) associated with limiting certain audit actions and increasing staff to support the bill's requirements.

The bill prohibits DSS from withholding Medicaid payments to pharmacies when extrapolated data based on clerical or minor technical errors is the basis for denying Medicaid reimbursements. Based on FY 24 pharmacy audit data, the state share of extrapolated recoupments is estimated at approximately \$80,000. To the extent the extrapolations were based on minor technical errors, all or a portion of such recoupments would result in increased cost to DSS under the provisions of the bill.

The bill also requires DSS to implement a grievance process to allow a pharmacy to challenge the Medicaid dispensing reimbursement that does not cover the pharmacy's cost to dispense the drug to a Medicaid recipient. This is anticipated to result in staffing costs, the extent to which depends on the grievance process established and magnitude of grievances. Related staff is expected to include one or a combination of

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the following: Fair Hearings Officer (annual minimum salary of \$82,800), Public Assistance Consultant (\$86,900), and Pharmacy Consultant (\$99,800).

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.