

OFFICE OF FISCAL ANALYSIS

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sHB-6771

AN ACT REQUIRING HEALTH INSURANCE COVERAGE FOR BIOMARKER TESTING.

As Amended by House "A" (LCO 7979)

House Calendar No.: 92

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Resources of the General Fund	GF - Potential Revenue Gain	Minimal	Minimal
Department of Emergency Services and Public Protection	GF - Potential Cost	Minimal	Minimal
Department of Emergency Services and Public Protection	Applicant Fingerprint Card Submission Account - Potential Revenue Gain	Minimal	Minimal
State Comptroller - Fringe Benefits	GF - Potential Cost	Less than 100,000	Less than 200,000
Resources of the General Fund	GF - Potential Cost	Up to 92,000	Up to 184,000
Social Services, Dept.	GF - Potential Cost	See Below	See Below
Board of Regents for Higher Education	Other Fund - Potential Revenue Loss	Less than 100,000	Less than 100,000

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 26 \$	FY 27 \$
Various Municipalities	STATE MANDATE ¹	See Below	See Below

¹ State mandate is defined in Sec. 2-32b(2) of the Connecticut General Statutes, "state mandate" means any state initiated constitutional, statutory or executive action that requires a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

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	- Potential Cost		
Various Municipal Police Departments	Potential Revenue Gain	Minimal	Minimal

Explanation

The bill contains various provisions, resulting in fiscal impacts as described by section below.

Section 1 requires all prospective employees and contractors of long-term care facilities to submit to fingerprint-based state criminal history records checks, resulting in: (1) a potential cost to the Department of Emergency Services and Public Protection (DESPP), (2) a potential revenue gain to the General Fund², and (3) a potential revenue gain to the Applicant Fingerprint Card Submission Account and various municipal police departments³ in FY 26 and FY 27. The potential cost to DESPP will depend on the extent to which the volume of new applicants for state criminal history checks increases department workload and impacts overtime. It is unknown how many employers already require such applicants to submit to such checks as a condition of employment.

There is no anticipated cost to the Department of Public Health as the existing long-term care background search program can accommodate any increase in background checks resulting from the bill.

Section 2 establishes an Alzheimer's Disease and Dementia task force, which does not result in a fiscal impact to the agencies involved in the task force's activities.

Section 3 makes procedural and technical changes to the existing

²DESPP conducts state criminal history records checks for a fee of \$75. The revenue that is collected from this fee is deposited into the General Fund.

³DESPP conducts fingerprinting for a fee of \$15 fee per person paid to the Applicant Fingerprint Card Submission Account. Municipal police departments may also conduct the required fingerprinting for state criminal history records checks and typically charge a fee of \$10 to \$15.

process documenting involuntarily transfers or discharges from a residential care home (RCH), which have no fiscal impact.

Sections 4 and 5 mandate that certain health insurance plans provide biomarker testing coverage, which results in multiple potential costs.

State Employee Health Plan. There is a potential cost of less than \$100,000 for the partial year coverage in FY 26 and less than \$200,000 annually thereafter to the State Comptroller – Fringe Benefits for the anticipated per member per month increase to the state employee health plan (SEHP) associated with the mandated coverage of biomarker testing. The SEHP currently covers biomarker testing. Premiums for the SEHP are anticipated to increase by \$0.10 per member per month, assuming a 5% utilization rate increase.

Municipalities. Costs related to the mandated coverage may also be incurred by fully insured municipalities and those participating in the State Partnership Plan (SPP). The mandated coverage of biomarker testing results in a potential cost less than \$34,000 for the partial year coverage in FY 26 and less than \$69,000 annually thereafter shared proportionately amongst municipalities in the SPP based on enrollment. The SPP currently covers biomarker testing. The potential cost accounts for an increase in utilization, and broader coverage for biomarker tests, which may impact plan premiums.

These estimates neglect any future cost saving offsets, and actual fiscal impacts will be realized in future premiums. Actual costs are dependent on the level of coverage, utilization, and number of those enrolled in each plan. Due to federal law, the coverage requirements will not apply to self-insured municipalities, as they are exempt under Employee Retirement Income Security Act (ERISA).

Exchange and Covered Connecticut. There is a potential cost to the state of up to \$92,000 for the partial year coverage in FY 26 and up to \$184,000 annually thereafter to defray additional premium costs for enrollees purchasing health insurance on the state's exchange. This cost is potential as it is incurred to the extent the new coverage requirements

for biomarker testing are determined to increase premiums and constitute new state benefit mandates under the federal Affordable Care Act (ACA). Currently, the different plans in the exchange cover biomarker testing. The potential cost accounts for an increase in utilization, and broader coverage for biomarker tests, which may impact plan premiums.

Under the ACA, states are allowed to mandate benefits beyond the federally-defined Essential Health Benefits (EHB) but must pay for that excess coverage. Federal regulations require the state to defray the cost of additional benefits related specific care, treatment or services mandated by state action after December 31, 2011 (except to comply with federal requirements) for all plans sold on the exchange.⁴ There are currently 152,042 enrollees in qualified health plans on the exchange, including approximately 42,000 in Covered Connecticut.

To the extent the bill is determined to include a new state benefit mandate that requires defrayal, there would be a cost to the state beginning January 1, 2026.⁵ Full year costs would begin in FY 27 and continue annually.

Defrayal costs for Covered Connecticut enrollees would be incurred by the Department of Social Services (DSS), to the extent the bill raises premiums for those enrollees.

Federal regulations allow states to update their EHB benchmark plans, potentially incorporating new benefit mandates without the need for defrayal for plan years beginning on January 1, 2020.⁶ If the state integrates biomarker testing into its EHB benchmark and obtains federal approval, these benefits become part of the EHB. As a result, the state would not be required to defray the costs of biomarker testing.

⁴ 45 CFR 155.170

⁵ After determining if the mandate is subject to defrayal, states must reimburse the carriers or the insureds for the excess coverage. The premium costs are to be quantified by each insurer on the exchange and reported to the state.

⁶ 45 CFR 156.111

Section 6 results in a potential revenue loss of less than \$100,000 annually beginning in FY 26 to the Board of Regents for Higher Education. It waives tuition to CT State for nursing home residents who are enrolled in courses.

As of September 30, 2023, there were approximately 19,600 nursing home residents in Connecticut. Of this population, approximately 15% was under the age of 65. Current law waives tuition at CT State for state residents over the age of 62 under certain circumstances. For this reason, the number of people who receive the bill's waiver is expected to be minimal. If 10 people received a waiver at the FY 26 full-time, in-state tuition rate of \$4,608 for CT State, the revenue loss would be \$46,080. If those ten people instead each took one, three-credit course at the rate of \$576 for three credit hours, the revenue loss to CT State would be \$5,760.

Section 7, which requires nursing homes and residential care homes to consider a resident's proximity to family members and other known support networks when assisting with a transfer or discharge, does not result in a fiscal impact to the state.

Section 8, which establishes a working group to examine RCH evacuation procedures and participation in a mutual aid digital platform, does not result in a fiscal impact to the state. Workload adjustments can be managed within the current staffing levels of the specified state agencies.

Section 9 modifies criteria mandating nursing homes to disregard their waiting lists to admit an applicant, which has no state fiscal impact.

House "A" strikes the underlying bill and its associated fiscal impact, and results in the impact described above.

The Out Years

The annualized ongoing fiscal impact of Section 1 identified above would continue into the future subject to the number of state criminal history records checks performed.

The annualized ongoing fiscal impact of Sections 4 and 5 identified above would continue into the future subject to inflation, cost of biomarker tests, utilization of biomarker testing, and federal regulations regarding defrayal requirements.

The annualized ongoing fiscal impact of Section 6 identified above would continue into the future subject to inflation in CT State tuition.