

OFFICE OF FISCAL ANALYSIS

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sHB-6979

AN ACT CONCERNING THE DEPARTMENT OF PUBLIC HEALTH'S RECOMMENDATIONS REGARDING PHYSICIAN RECRUITMENT.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Public Health, Dept.	GF - Revenue Impact	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill, which creates a retired physician license and reinstates statutory authorization for a student loan repayment program, results in various revenue impacts to the Department of Public Health (DPH) as described below.

Section 1 allows retired physicians to renew their licenses at a reduced fee¹ (\$95), starting January 1, 2026. A General Fund revenue loss is anticipated to result beginning in FY 26, dependent on the number of licensed physicians who elect to avail themselves of this opportunity. The revenue reduction will be \$480 per retired physician renewal. Currently, 15,056 individuals hold physician licenses² in Connecticut.

¹ The proposed retired physician license renewal fee shall be the greater of: (1) 10% of the class I professional services fee (per CGS Sec. 33-182l), currently \$565, or (2) \$95. All licensed professionals practicing medicine also pay a \$5 fee upon renewal that supports the assistance program for healthcare professionals (known as HAVEN), which is included in the fee amount.

² Physicians currently pay a \$575 license renewal fee.

For illustration, about 6% of dentists currently hold retiree licenses. If a similar percentage of physicians choose to do so, an annualized revenue loss of approximately \$433,440 would result. Since the provision is effective January 1, 2026, the revenue loss associated with the bill in FY 26 will be approximately half of the amount above (\$216,720).

Section 2 requires the Public Health Commissioner to adopt regulations implementing the new retired physician licensure category. This has no fiscal impact. Existing regulations pertaining to other retired health professional licenses will provide a basis for the new regulations, allowing DPH to comply without undue burden.

Section 3 allows retired physicians whose licenses have become void due to nonrenewal to apply for reinstatement. A potential General Fund revenue gain beginning in FY 26 will result, to the extent that retired physicians apply for reinstatement, who would not otherwise have reapplied for licensure. The extent of the potential revenue gain depends on the number of reinstatements and the amount of the reinstatement fee. The bill does not specifically apply the retired physician renewal fee established in Section 1 to a retired physician seeking license reinstatement. It is therefore uncertain whether such an applicant would be required to pay the current initial licensure fee of \$565 instead. The FY 26 impact will be three-quarters of the annual impact due to the section's October 1, 2026 effective date.

Section 4 exempts physicians from having to maintain malpractice insurance when providing volunteer behavioral health services at certain nonprofit clinics and results in no fiscal impact.

Section 5 reinstates statutory authorization for a student loan repayment program (SLRP) for in-state providers of primary care and behavioral health services. This has no direct fiscal impact as DPH currently operates an SLRP. The program currently receives no funding from the General Fund; it is supported by federal funding through an American Rescue Plan Act (ARPA) allocation as well as a grant from the federal Health Resources and Services Administration.

The Out Years

The ongoing fiscal impact identified above would continue into the future.