

## OFFICE OF FISCAL ANALYSIS

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sHB-7191

AN ACT CONCERNING MEDICAID RATE INCREASES,  
PLANNING AND SUSTAINABILITY.

As Amended by House "A" (LCO 10449)

House Calendar No.: 274

Senate Calendar No.: 590

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### ***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 results in a cost to the Department of Social Services (DSS) associated with requiring DSS to review Medicaid rates and phase-in increases between FY 26 and FY 30, in accordance with the Medicaid rate study supported by PA 23-186.

For context, the study reviewed costs to adjust Medicaid rates to 80% of the Medicare fee schedule and five-state rates for Maine, Massachusetts, New Jersey, New York and Oregon. Based on those factors, state costs are estimated at approximately \$150 million when annualized, with additional annual increases incurred to reflect updated fee schedules, benchmarks, increases in the Medicare Economic Index (MEI), or recommendations by the Council on Medical Assistance Program Oversight's Medicaid Rates Review subcommittee. The actual cost to increase provider rates depends on the methodology used and increases phased-in during the required timeframe.

Primary Analyst: ES  
Contributing Analyst(s):  
Reviewer: LD

6/3/25

The bill makes technical, conforming and other changes that have no fiscal impact.

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

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to fee schedules, benchmarks, increases in MEI, or subcommittee recommendations.

*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.*