

OFFICE OF FISCAL ANALYSIS

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HB-7226

AN ACT CONCERNING LONG-TERM CARE INSURANCE AND
ELIGIBILITY FOR STATE CONTRACTS.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Insurance Dept.	IF - Cost	70,700	137,600

Note: IF=Insurance Fund

Municipal Impact: None

Explanation

The bill makes changes regarding long-term care insurance and state contracting, which result in a cost to the Insurance Fund of \$70,700 in FY 26 and \$137,600 in FY 27 and annually thereafter.

Section 1 requires the Insurance Department to hold a public hearing when a long-term care insurer is requesting a rate increase above 10%, resulting in a cost to the Insurance Fund of \$70,700 in FY 26 and \$137,600 in FY 27 and annually thereafter. It is anticipated that the department will need to hold approximately 40 public hearings a year, and handling this volume will require one new staff position.

The department is expected to hire one full-time Paralegal with an annualized salary of \$75,000 and fringe benefits of \$62,400. FY 26 personnel costs are expected to be \$37,500 and \$31,200 respectively, reflecting the section's January 1, 2026 effective date. Other expenses for the new position are expected to total \$2,000 in FY 26 for a laptop and related supplies, and \$200 annually beginning in FY 27 for office supplies.

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Sections 2 and 3 require long-term care insurers to make certain procedural changes that have no fiscal impact to the state.

Section 4 prohibits the state from entering into a contract with an insurer unless they have met certain requirements which results in no fiscal impact to the state.

The Out Years

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