

## OFFICE OF FISCAL ANALYSIS

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<http://www.cga.ct.gov/ofa>

sSB-7

### AN ACT CONCERNING PROTECTIONS FOR ACCESS TO HEALTH CARE AND THE EQUITABLE DELIVERY OF HEALTH CARE SERVICES IN THE STATE.

#### ***OFA Fiscal Note***

##### ***State Impact:***

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Public Health, Dept.	GF - Cost	35.3 million	305,000
Public Health, Dept.	GF - Revenue Gain	See Below	See Below
Education, Dept.	GF - Cost	3.6 million	None
State Comptroller - Fringe Benefits <sup>1</sup>	GF - Cost	90,600	124,100

Note: GF=General Fund

##### ***Municipal Impact:***

Municipalities	Effect	FY 26 \$	FY 27 \$
Municipal Water Companies	Potential Cost/Savings	See Below	See Below

##### ***Explanation***

The bill contains various provisions regarding healthcare and healthcare services, which result in the fiscal impacts described below.

Resulting costs include \$38.6 million appropriated to support new programs or accounts in FY 26, along with \$346,400 in FY 26 and \$428,900 in FY 27 associated with expanded Department of Public Health (DPH) oversight of hospitals and creation of a new DPH

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<sup>1</sup>The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 40.71% of payroll in FY 26.

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4/8/25

licensure category.

**Section 1** makes technical changes regarding water fluoridation standard levels and results in no state fiscal impact. However, this provision may result in a potential cost or savings to municipal water companies beginning in FY 26 to the extent that the bill requires more or less fluoride to be added to the water.

**Section 2**, which allows DPH to create an advisory committee on matters related to federal Centers for Disease Control and Prevention and Food and Drug Administration recommendations, results in no fiscal impact. DPH has sufficient expertise to assist the committee in its work.

**Section 3**, which sets limitations on health care entities' ability to discipline providers for actions related to reproductive, gender-affirming, or emergency health care services, results in no fiscal impact to the state.

**Sections 4 - 11** incorporate into state law similar provisions as those in the federal Emergency Medical Treatment and Labor Act (EMTALA), requiring: (1) hospitals to adopt certain policies; and (2) DPH to exercise oversight responsibilities, including reviewing reports, conducting investigations, and developing regulations. This results in an estimated cost to DPH of \$86,000 in FY 26 and \$112,000 in FY 27 (and annually thereafter), with an estimated cost to the Office of the State Comptroller for associated fringe benefits of \$33,300 in FY 26 and \$45,600 in FY 27. FY 26 costs reflect an October 1 start date for all staff.

DPH will require: (1) a 0.25 FTE IT Subject Matter Expert at an annualized salary of \$30,700 (plus \$12,500 annualized fringe benefits) to design, develop and maintain electronic submission portals for reporting; (2) a 0.25 FTE Health Program Assistant at an annualized salary of \$14,400 (plus \$5,900 annualized fringe benefits) to monitor compliance with reporting requirements; and (3) a 0.25 FTE Supervising Nurse Consultant at an annualized salary of \$23,800 (plus \$9,700 annualized fringe benefits) to support the development of regulations

and compliance enforcement.

DPH also has investigative authority over any alleged violations of relevant sections within the bill. A half-time Staff Attorney 1, at an annualized salary of \$42,900 (plus \$17,500 annualized fringe benefits), will be required to support DPH's Facility Licensing and Investigations Section (FLIS) in associated disciplinary actions.

FLIS currently conducts federal investigations on behalf of the Centers for Medicare and Medicaid Services, assessing compliance with EMTALA and federal regulations.<sup>2</sup> Any legal disputes concerning the EMTALA investigations are managed by federally funded attorneys employed by DPH. These staff cannot handle state investigations under their respective funding agreements.

To support this work, DPH will incur a one-time equipment cost of \$4,200 in FY 26 for a laptop and office supplies, as well as an ongoing cost of \$200 annually, starting in FY 27, for software and office supplies.

**Section 12** allows an individual harmed by a violation of Sections 4 - 11 to sue a hospital or other health entity, and results in no state fiscal impact. The court system disposes of over 250,000 cases annually and the number of cases is not anticipated to be great enough to need additional resources.

**Section 13** establishes a “safe harbor account” as a separate, nonlapsing, account of the Office of the State Treasurer. Any expenditures from the account, as directed by an associated board of trustees, would be contingent upon revenues being made available for such purpose. The bill does not specify any related state or municipal revenue source, but authorizes the account to receive private funding. Should funding become available, administration of grants in accordance with the bill's provisions is expected to be fulfilled within the current resources of the State Treasurer.

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<sup>2</sup> In calendar year 2023, FLIS conducted 1 EMTALA investigation. In calendar year 2024, 2 EMTALA investigations were conducted.

**Sections 14 and 15**, which declare opioid use disorder to be a public health crisis and require the Alcohol and Drug Policy Council to convene a working group to set goals to combat this disorder's prevalence, result in no fiscal impact.

**Sections 16 and 17** appropriate \$3.6 million in FY 26 from the General Fund to the State Department of Education to establish a mental and behavioral health awareness and treatment pilot program in Priority School Districts. The funding will be used to purchase an electronic tool that provides mental and behavioral health resources and support.

**Sections 18 and 19** create a public health urgent communication account as a separate, nonlapsing account, and appropriate \$5 million in FY 26 from the General Fund to DPH for the account. DPH must use the account's funds to give timely, effective communication to the public, health care providers, and other stakeholders during a governor-declared public health emergency.

**Sections 20 and 21** create an emergency public health financial safeguard account as a separate, nonlapsing account, and appropriate \$30 million in FY 26 from the General Fund to DPH for the account. DPH must use the account's funds to (1) address unexpected shortfalls in public health funding, and (2) ensure the department's ability to respond to the state's health care needs and provide essential public health services.

**Sections 22 - 26** create a new DPH licensure category for health care administrators. This results in an additional estimated cost to the agency of \$170,000 in FY 26 and \$193,000 in FY 27 (and annually thereafter), with an estimated cost to the Office of the State Comptroller for associated fringe benefits of \$57,300 in FY 26 and \$78,500 in FY 27. FY 26 costs reflect an October 1 start date for all staff. These sections also result in a revenue gain beginning in FY 26.

It is anticipated that DPH will hire one full-time Licensing and Application Analyst at an annualized salary of \$78,000 (with \$31,800 in annualized fringe benefits) to develop and maintain the licensure

application.

As part of establishing licensure requirements, the bill directs DPH to design an exam to test an applicant's knowledge of health care laws, patient safety protocols and health-related ethical guidelines.<sup>3</sup> The expertise of a health care consultant, at an estimated cost of \$20,800 in FY 26, is required to help develop this exam.

The bill also provides jurisdiction to DPH to hear all charges of unacceptable conduct against a person licensed as a healthcare administrator. This requires a full-time Health Program Associate at an annualized salary of \$71,700 (plus \$29,200 in annualized fringe benefits) to investigate allegations of unacceptable conduct. A half-time Staff Attorney 1, at an annualized salary of \$42,900 (plus \$17,500 in annualized fringe benefits), will represent FLIS in any violations that result in adjudication as well as hear all charges of unacceptable conduct against a person licensed as a healthcare administrator.

To support this work, DPH will incur a one-time equipment cost of \$8,400 in FY 26 for a laptop and related hardware, as well as an ongoing cost of \$400 annually, starting in FY 27, for software and office supplies.

The bill establishes licensure fees for this new profession, resulting in a General Fund revenue gain in FY 26 from initial licensure fees (\$200 each). A health care administrator license will be subject to annual renewal, resulting in an FY 27 General Fund revenue gain from renewal fees<sup>4</sup> (\$105 each), and minimal revenue associated with new entrants to this profession (and annually thereafter). The amount of the revenue gain may exceed \$100,000, dependent on the number of initial and

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<sup>3</sup> A review conducted by DPH failed to identify a similar credential in neighboring and nearby states. There does not appear to be an existing model to help develop the design and content of DPH's health care administrator licensure exam, and the department lacks the necessary expertise to meet the bill's requirements.

<sup>4</sup>Of each \$105 renewal fee, \$100 will be deposited in the General Fund. The remaining \$5 fee is deposited into the professional assistance program account which supports the Health Assistance InterVention Education Network (HAVEN).

renewed licenses.<sup>5</sup>

Additionally, the DPH commissioner is authorized to take disciplinary action against a licensed health care administrator, which may result in a minimal revenue gain to the General Fund from civil penalties beginning in FY 27. Disciplinary actions available to DPH include imposing a civil penalty of up to \$10,000. The extent of the revenue gain, if any, is dependent on the number of violations and DPH's discretion regarding civil penalties.

**Section 27**, which requires certain medical professionals who regularly treat patients with epilepsy to provide them information on sudden unexpected death in epilepsy, results in no state fiscal impact.

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

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

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<sup>5</sup> Connecticut has 27 general hospitals, 3 freestanding emergency departments, and 1 children's hospital. If each such entity has 20 potential licensees, the initial licensure fees will total \$124,000; if each has 40 potential licensees, renewal fee revenue will also exceed \$100,000.