

OFFICE OF FISCAL ANALYSIS

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SB-342

AN ACT CONCERNING HEALTH COVERAGE. AMENDMENT

LCO No.: 6105

File Copy No.: 223

Senate Calendar No.: 178

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
State Comptroller - Fringe Benefits	Various - Potential Cost	Up to 14.2 Million	Up to 19 Million
UConn Health Ctr.	GF - Potential Revenue Gain	See Below	See Below

Note: Various=Various; GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 27 \$	FY 28 \$
Various Municipalities	Potential Cost	Up to 6.9 Million	Up to 9.3 Million

Explanation

The amendment strikes the underlying bill and its associated fiscal impact, resulting in the impacts described below.

The amendment adds certain limitations on the use of downcoding resulting in: (1) a potential cost annually beginning in FY 27 to the SEHP and the SPP; and (2) a potential revenue gain annually beginning in FY 27 to the UCHC.

There is a potential cost to the state employee health plan up to \$14.2 million beginning in FY 27, annualized to \$19 million in FY 28, and to

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municipalities enrolled in state Partnership plans up to \$6.9 million beginning in FY 27, annualized to \$9.3 million in FY 28.

These increases are associated with a 1% increase in plan premiums based on current enrollment. The estimate is reflective of the impacts of increased utilization, administrative costs, and appeals. It does not include any cost-sharing or offsets related to revisions by carriers to claims coding within the scope of the bill.

The amendment results in a potential revenue gain annually beginning in FY 27 to the UConn Health Center. It establishes a notice requirement and appeals process when insurers use artificial intelligence to automatically downcode or deny a claim made by a health care provider. To the extent that this increases the reimbursements UCHC receives from private insurers, there is a revenue gain. The revenue gain will vary based on the number of health insurance claims paid out.

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.