OFFICE OF FISCAL ANALYSIS

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sSB-1
AN ACT CONCERNING THE HEALTH AND SAFETY OF CONNECTICUT RESIDENTS.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 25 $	FY 26 $
Public Health, Dept.	GF - Cost	1,032,883	1,093,139
Public Health, Dept.	GF - Appropriation	1,000,000	None
State Comptroller - Fringe Benefits[1]	GF - Cost	Up to 646,000	Up to 646,000
Resources of the General Fund; Social Services, Dept.	GF - Cost	Up to 274,000	Up to $548,000
Department of Emergency Services and Public Protection	GF - Appropriation	25,000	25,000
Resources of the Opioid Settlement Fund	Opioid Settlement Fund - Potential Cost	See Below	See Below
Mental Health & Addiction Serv., Dept.	GF - Potential Cost	See Below	See Below
Social Services, Dept.	GF - Cost	See Below	See Below

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 25 $	FY 26 $
Various Municipalities	STATE MANDATE[2] - Cost	Upwards of 77,000	Upwards of 77,000

[1]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 41.25% of payroll in FY 25.

[2] State mandate is defined in CGS Sec. 2-32b(2) as any state initiated constitutional, statutory or executive action that requires a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

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Explanation

Section 3, which requires home health agency staff to report to the Department of Public Health (DPH) on any client whose behavior staff perceive as a threat, physical or sexual abuse, results in a cost of approximately $160,000 in FY 25 and $120,000 in FY 26 to DPH[3] as a Nurse Consultant with a salary of $120,000 will be needed for monitoring and investigations and there will be a one-time cost of approximately $40,000 in FY 25 for Information Technology (IT) consultant services to build an electronic interface to reports.[4]

Section 4 results in a cost to the Department of Social Services (DSS) by requiring increased fees to cover the costs of safety escorts provided by home health agencies. Current law allows, but does not require, DSS to provide increased fees to agencies that show extraordinary costs related to escorts. The extent of the additional cost to DSS is dependent on the cost of the service and associated utilization by providers.

Sections 5, 6, 29 and 30 result in a potential cost to the state of up to $646,000 beginning in FY 25, and annually thereafter, subject to premium increases for the state employee health insurance plan (SEHP) for the newly mandated coverage requirements. [5] The bill mandates individual and group health insurance policies to provide coverage for: (1) home health service escorts, and (2) coronary calcium scans.

These sections additionally result in costs to municipalities participating in the state Partnership Plan (SPP) of up to $77,000 beginning in FY 25 and annually thereafter, subject to premium increases for the newly mandated coverage requirements.[6] Municipalities with fully insured health plans will also see costs to the

[3]There are currently 85 licensed home health care agencies, and 8 home health aide agencies in the process of initial licensing.
[4]There are approximately 1,000 hours needed for IT consultant work.
[5] Coverage requirements as outlined in the bill begin on January 1, 2025. However, SEHP and SPP premium rates run on a fiscal year basis, beginning July 1. The fiscal impact above assumes the coverage requirements will be rolled into the plan at the start of the next renewal period.
[6] The cost estimate is for the Partnership Plan rates generally. Each municipality would bear different levels of the overall cost dependent on their number of enrollees.

extent their plans do not currently offer coverage for the provisions outlined above. Due to federal law, the coverage requirements will not apply to self-insured municipalities, as they are exempt under Employee Retirement Income Security Act (ERISA).

Sections 5 - 6 result in an anticipated annual cost to the State Comptroller – Fringe Benefits account of approximately $377,000 beginning in FY 25 for the new benefit. Based on FY 23 home health visit claims, the additional coverage is estimated to increase premiums up to $0.21 per member per month (PMPM). This estimate is contingent on: (1) how frequently safety escorts will be utilized, as the health agency staff will determine if one is necessary, and (2) at what rate health insurance companies will provide coverage.[7] The cost analysis assumes claims for home health care worker escorts will be approximately 80% of the cost of a home health aide visit claim.

Sections 29 – 30 are anticipated to increase premiums for the SEHP by $0.15 PMPM. At this rate, the State Comptroller – Fringe Benefits account will incur costs of approximately $269,000 annually beginning in FY 25 for the additional coverage of coronary calcium scans. Based on FY 23 claims data across commercial and state plans, the average allowable amount payable by insurance companies is $160. The cost analysis assumes approximately a 7% utilization rate in the estimated eligible population.

The mandated coverage of safety escorts for home health staff and aides is estimated to increase premiums for fully insured municipalities at a rate of $0.20 PMPM, and $0.21 PMPM for those participating in the SPP. The fiscal impact of the mandate on fully insured municipalities is dependent on the extent premiums increase. Premiums for the SPP are anticipated to increase by approximately $45,000 in FY 25 and annually thereafter to be shared amongst the participating municipalities.

[7] According to the Office of Health Strategy's All Payer Claims data, there were nearly 50,000 home health visit claims, including hospice care, in FY 23 across commercial and state plans.

Fully insured municipalities and those in the Partnership Plan are anticipated to incur costs at a rate of $0.15 PMPM for the required coverage for coronary calcium scans. The cost to fully insured municipalities not in the SPP is dependent on the extent the plan premiums increase resulting from the additional coverage. The SPP is estimated to incur a cost of $32,000 in FY 25 and annually thereafter to be shared amongst the participating municipalities.

Sections 5, 6, 29 and 30 also result in a potential cost to the state of up to $274,000 in FY 25 and up to $548,000 in FY 26 (and annually thereafter) to defray additional premium costs for enrollees purchasing health insurance on the state's exchange. This cost is potential as it is incurred to the extent the new coverage requirements for home health service escorts and coronary calcium scans are determined to increase premiums and constitute new state benefit mandates under the federal Affordable Care Act (ACA). Neither are currently covered for most enrollees.

Under the ACA, states are allowed to mandate benefits beyond the essential health benefits but must pay for that excess coverage. Federal regulations require the state to defray the cost of additional benefits related to specific care, treatment or services mandated by state action after December 31, 2011 (except to comply with federal requirements) for all plans sold on the exchange.[8] There are currently 130,141 enrollees in qualified health plans on the exchange, including 29,687 in Covered Connecticut.

To the extent the bill is determined to include one or two new state benefit mandates that require defrayal, there would be a cost to the state beginning January 1, 2025.[9] Full year costs would begin in FY 26 and continue annually.

Defrayal costs for Covered Connecticut enrollees would be incurred

[8] 45 CFR 155.170

[9]After determining if the mandate is subject to defrayal, states must reimburse the carriers or the insureds for the excess coverage. The premium costs are to be quantified by each insurer on the exchange and reported to the state.

by the Department of Social Services (DSS), to the extent the bill raises premiums for those enrollees. It is not clear how or when the ACA defrayal rules will be enforced for non-Covered Connecticut enrollees.

Insurance coverage for home health care worker escorts is estimated to increase premiums by up to $0.20 per member per month (PMPM). The actual increase to premiums will be calculated by insurers offering exchange plans. The premium increase will depend on: (1) how frequently such escorts are deemed necessary by the home health care agencies, and (2) the negotiated reimbursement rates insurers set with the agencies for that service. At $0.20 PMPM, the total state defrayal cost would be $157,000 for the partial year in FY 25 and $314,000 in FY 26 and annually thereafter.

Insurance coverage for coronary calcium scans, which typically cost between $100 and $200 per scan, is estimated to increase premiums by $0.15 PMPM. The actual increase to premiums will be calculated by insurers offering exchange plans and will depend on the utilization rate, which is expected to increase once it becomes a covered service. The total state defrayal cost is estimated to be $117,000 in FY 25 and $234,000 in FY 26 and annually thereafter.

DSS would incur approximately 23% of those total defrayal costs on behalf of Covered Connecticut enrollees.

Section 7 requires DPH to establish a home health agency staff safety technology program, by 10/1/24, that will provide grants to home health care and home health aide agencies. This results in a cost to DPH beginning in FY 25 that will vary dependent upon available funding.

Section 9 appropriates $1 million to DPH in FY 25 from the General Fund for the grant program established in Section 7.

Sections 10 - 18 require DPH to establish "Graduate Physician" as a new licensed practitioner category, which is anticipated to result in a state cost of $203,916 in FY 25 and $323,246 in FY 26.[10] Annual costs

[10]The estimate for FY 25 reflects a partial year estimate.

reflect salaries for three full-time equivalent positions of approximately $228,847 with an associated Comptroller - Fringe Benefits cost of $94,399.[11] One-time FY 25 other expenses of approximately $22,000 reflect equipment costs (e.g., computers, monitors, software, etc.).

Section 22, which requires DPH, in collaboration with the Department of Consumer Protection, to study incidences of prescription drug shortages and whether the state has a role in alleviating such shortages, results in an estimated, one-time cost to DPH of $50,000 in FY 25.[12]

Section 23 codifies a Department of Children and Families' best practice of conducting certain home visits in-person, which is not anticipated to result in a fiscal impact to the state or municipalities.

Sections 26-27 may result in a cost to the Opioid Settlement Fund associated with reimbursing pharmacy costs for personal opioid drug deactivation and disposal products. Pharmacies and pharmacists are not required to provide such products if funding is unavailable.

The Opioid Settlement Fund is a separate, non-lapsing fund administered by the Opioid Settlement Advisory Committee with assistance from the Department of Mental Health and Addiction Services (DMHAS). Expenditures must be approved by the Committee and used only in accordance with the controlling judgment, consent decree, or settlement.

Section 31 requires DPH's Office of Public Health Preparedness and Response to work with the state's Chief Information Security Officer to include in Connecticut's emergency operations plan an acute care hospital initiative to implement or acquire systems that will ensure operational health care facilities and services during a cyber security event, which is not anticipated to result in a fiscal impact as DPH and

[11]Positions are a Paralegal Specialist, a Project Manager, a half-time Health Program Associate, and a half-time Processing Technician.
[12]There are approximately 500 Registered Pharmacist consultant hours needed.

the Chief Information Security Officer have needed expertise.

Section 31 may result in a cost to various state agencies associated with the cyber security readiness initiative. To the extent agencies supporting health care facilities (i.e. DMHAS, DCF, UConn Health Center, DSS) will be required to enhance communication and medical systems to meet the bill's requirements, the state will incur the associated costs. The initiative must be part of the state's public health emergency response plan by January 1, 2025.

Section 32 appropriates $25,000 to the Department of Emergency Services and Public Protection in FY 25 and FY 26 for an annual meeting focused on prevention, identification, and management of a cyber security event.

Sections 33 and 34 task DPH with establishing a healthy brain initiative to address health conditions affecting the brain such as Alzheimer's disease, dementia, Parkinson's disease, stroke, and epilepsy by 1/1/25, and operating a statewide data registry on Parkinson's disease and Parkinsonism by 7/1/25, results in a state cost of approximately $618,967 in FY 15 and $630,139 in FY 26. Costs included the salaries for 2.5 full-time equivalent positions[13] and fringe benefits,[14] as well as data registry IT consultation and associated hardware and software expenses.

Section 35 may result in a cost to DMHAS associated with establishing a program for people diagnosed with recent-onset schizophrenia spectrum disorder, which will serve as a hub for the state-wide dissemination of information regarding best practices. To the extent this requires DMHAS to expand their current program to an in-state hospital, the state will incur additional costs. DMHAS currently operates the Specialized Treatment in Early Psychosis (STEP) program

[13]One Nurse Consultant, one Epidemiologist II, and a half-time Data Scientist (salaries total approximately $84,224 in FY 25 and $233,727 in FY 26).
[14]Office of the State Comptroller- Fringe Benefit costs are approximately $34,743 in FY 25 and $96,412 in FY 26.

statewide, utilizing state and federal funds.

The bill makes various other changes that have no fiscal impact to the state.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation, the frequency of use and cost for home health service escorts, and utilization of coronary calcium scans. The annual appropriation identified in Section 32 continues only to FY 27 and FY 28.