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sSB-9
AN ACT CONCERNING HEALTH AND WELLNESS FOR CONNECTICUT RESIDENTS.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 24 $	FY 25 $
Opioid Antagonist Bulk Purchase Fund	Cost	See Below	See Below
Mental Health & Addiction Serv., Dept.	GF - Cost	at least 283,600	at least 290,700
State Comptroller - Fringe Benefits[1]	GF - Cost	at least 121,438	at least 124,478
Public Health, Dept.	GF - Cost	122,294	None
Higher Ed., Off.	GF - Cost	75,000	75,000
State Comptroller - Fringe Benefits	GF - Cost	32,115	32,115
Higher Ed., Off.	GF - Cost	Significant	Significant
Social Services, Dept.	GF - Cost	at least 175,000	at least 179,400
State Comptroller - Fringe Benefits	GF - Cost	at least 74,900	at least 76,800
UConn Health Ctr.	GF - Potential Revenue Loss	Significant	Significant
Resources of the General Fund	GF - Revenue Loss	38,712	38,172
Resources of the General Fund	GF - Revenue Gain	25,950	25,950
Applicant Fingerprint Card Submission Account	Potential Revenue Gain	Up to 5,190	Up to 5,190

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 24 $	FY 25 $
Various Municipalities	Revenue Gain	Potential	Potential

[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 42.82% of payroll in FY 24.

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Reviewer: PR

Explanation

The bill results in a potential revenue gain to municipalities beginning in FY 24, a corresponding cost to the Opioid Antagonist Bulk Purchase Fund beginning in FY 24, a cost to the Department of Mental Health and Addiction Services (DMHAS) of at least $283,600 in FY 24 and $290,700 in FY 25, with an associated fringe benefits cost of at least $121,438 in FY 24 and $124,478 in FY 25, a cost to the Department of Public Health (DPH) of $122,294 in FY 24 only, a cost to the Office of Higher Education (OHE) of $75,000 annually, with an associated fringe benefits cost of $32,115 annually, a cost to the Department of Social Services (DSS) of at least $175,000 in FY 24 and $179,400 in FY 25, with an associated fringe benefits cost of at least $74,900 in FY 24 and $76,800 in FY 25, a significant potential revenue loss to the UConn Health Center annually, a revenue loss to the General Fund of $38,712 annually, a revenue gain to the General Fund of $25,950 annually, and a potential revenue gain to the Applicant Fingerprint Card Submission Account of up to $5,190 annually.

The fiscal impacts of the bill are broken out by section below. Other provisions of the bill are not anticipated to result in a fiscal impact to the State or municipalities.

Sections 3 and **4** require DMHAS to establish harm reduction centers in three municipalities. The purpose of the pilot program is to prevent drug overdoses and provide a medical facility where individuals with substance use disorder can receive counseling, educational, and referral services, access basic support services, and may safely consume controlled substances under the observation of licensed health care providers. The extent of the cost to DMHAS to either: (1) establish and staff such facilities, and/or (2) contract with providers able to meet the pilot program requirements, depends on the scope of the three pilot locations, to be determined by the agency. At minimum, DMHAS will incur a cost of at least $176,800 in FY 24 and $181,200 in FY 25, with an associated fringe benefits cost of $75,700 in FY 24 and $77,600 in FY 25, for staff to oversee the program and work with the Harm Reduction Center Pilot Program Advisory Committee.

Section 5 makes local or regional boards of education, local or district departments of health, and law enforcement agencies eligible for grants through DMHAS from the Opioid Antagonist Bulk Purchase Fund. This results in a potential revenue gain to municipalities beginning in FY 24 subject to the number, and the amount, of the grants awarded, a corresponding cost to the Fund, and a cost to DMHAS for staff of at least $106,800 in FY 24 and $109,500 in FY 25 to administer the grant program, with an associated fringe benefits cost of $45,700 in FY 24 and $46,900 in FY 25.[2]

Section 10 results in a cost to DPH of $122,294 in FY 24 only[3] for a Senior Healthcare Strategic Planning Consultant to coordinate a working group, facilitate meetings, conduct research, as well as draft and, no later than 1/1/24, submit, a final report that includes five- and ten-year plans for increasing the nursing workforce in the State.

Sections 11 and 12 result in a cost to OHE of $75,000 annually, and a cost for fringe benefits of $32,115 annually, associated with hiring one full-time Senior Consultant to establish and administer a program that gives incentive grants to licensed health care providers accepting adjunct professor positions.

This program will also result in a significant cost to OHE associated with the provision of grant payments to eligible adjunct faculty. The scope of the cost would be dependent on: (1) the number of grant applicants, (2) the amount of the grants awarded, and (3) grant duration. Each person's grant is required to be equal to the difference between the person's salary as a provider and the person's salary as an adjunct professor, and the grant is to be provided by OHE for the duration of the awardee's adjunct professorship.

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[2]DMHAS may use up to 2% of the account in any fiscal year for related administrative expenses.

[3]This reflects 960 consultant hours at a rate of 127.39 per hour.

Section 14 results in a cost of at least $175,000 in FY 24 and $179,400 in FY 25 to DSS, with an associated fringe benefits cost of $74,900 in FY 24 and $76,800 in FY 25, for a Program Manager and administrative staff to establish, by 1/1/24, and operate a career pathways program for Personal Care Attendants.

Sections 16 and 17, which prohibit physician and advanced practice registered nurse (APRN) non-compete agreements ("covenants not to compete") entered into, amended, or renewed on or after 7/1/23, could result in a significant revenue loss to the UConn Health Center. National data indicates that each physician affiliated with a hospital generates, on average, nearly $2.4 million in net revenue annually. Net revenue per physician varies, with certain specialists netting a hospital $3 million and above, while primary care physicians net approximately $2 million. If four established physicians with an average net revenue of $2.4 million leave the UConn Health Center, because they are no longer bound by non-compete clauses, the annual revenue loss to the UConn Health Center would be $9.6 million.

The extent of the UConn Health Center's annual revenue loss associated with these sections is dependent on: (1) the number of established physicians/APRNs who depart the UConn Health Center, (2) the net revenue of each departing physician/APRN, and (3) the UConn Health Center's ability to offset revenue losses through recruitment of established physicians/APRNs from nearby hospitals or practices.

Section 19, which requires Connecticut to join the Physical Therapy Licensure Compact, is estimated to result in a total annual General Fund revenue loss of $38,712. It is anticipated that DPH will receive 100 less initial Physical Therapist (PT) applications ($28,500), 75 less PT renewals ($7,857), 9 less initial PT Assistant applications ($1,900), and 7 less PT Assistant renewals ($455) annually due to joining the compact.

Section 20 requires persons applying for PT licensure to submit to fingerprint-based state background checks, resulting in a revenue gain to the General Fund of $25,950 in both FY 24 and FY 25, and a potential revenue gain to the Applicant Fingerprint Card Submission Account of up to $5,190 in both FY 24 and FY 25. The Department of Emergency Services and Public Protection (DESPP) conducts state background checks for a fee of $75 per check, and the revenue that is collected from this fee is deposited into the General Fund ($75 x 364 PT and PT Assistant applicants[4] = $25,950). If DESPP conducts fingerprinting of all applicants for PT licensure, with a $15 fee per person paid to the Applicant Fingerprint Card Submission Account, there would be a revenue gain to this Account of up to $5,190.[5] As third-party providers may complete fingerprinting instead of DESPP, Account revenue is reflected as potential.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the amount of Opioid Antagonist Bulk Purchase Fund grants awarded to municipalities, the number of Physical Therapy Licensure Compact licenses issued by DPH, the number of adjunct faculty incentive grant applicants, the amount of grants awarded, grant duration, the number of established physicians/APRNs who depart the UConn Health Center, the net revenue of each departing physician/APRN, UConn Health Center's ability to offset revenue losses through recruitment of established physicians/APRNs from nearby hospitals or practices, the number of state background checks completed by DESPP, the number of fingerprints completed by DESPP, and inflation.

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[4]This estimate is based on the number of initial PT and PT Assistant applications received by DPH in FY 22, minus the loss of initial applications anticipated from entering the Physical Therapist Licensure Compact per Section 19 of the bill. The total reflects 285 initial PT applications, and 61 initial PT Assistant applications, in both FY 24 and FY 25.

[5]Funds in the non-lapsing Applicant Fingerprint Card Submission Account are used for IT support and maintenance for the fingerprinting systems.