

OFFICE OF FISCAL ANALYSIS

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sSB-9

AN ACT PROMOTING HOSPITAL FINANCIAL STABILITY.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 25 \$	FY 26 \$
Office of Health Strategy	GF - Cost	96,000	96,000
State Comptroller - Fringe Benefits ¹	GF - Cost	39,600	39,600
Resources of the General Fund	GF - Revenue Gain	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

Section 1 of the bill authorizes the Department of Public Health (DPH), starting 7/1/24, to impose a civil penalty of up to \$25,000 against a health care institution for noncompliance with statutory or regulatory requirements, which results in a potential minimal revenue gain to the resources of the General Fund (GF).

Section 2 results in a potential minimal GF revenue gain as it requires DPH to establish hospital Emergency Department (ED) diversion requirements² and allows, as of 7/1/24, it to assess a civil penalty not to

¹The 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.

²For example, when hospitals reroute incoming ambulances to other hospitals because their ED resources are fully committed, or they lack necessary medical expertise.

exceed \$25,000 on any hospital that violates these requirements.

Section 3 results in a potential revenue gain to the General Fund by expanding the Office of Health Strategy's (OHS') Health Systems Planning Unit (HSPU's) Certificate of Need (CON) requirements. The revenue gain is dependent on the number of applications received and the cost of the transfer associated with the application³.

Section 4 modifies the CON program for health care entities beginning in FY 25, increasing annual HSPU expenditures by \$135,600 annually to support an Associate Health Care Analyst's salary and associated fringe benefits. Costs related to HSPU are recovered via an assessment collected from the various state hospitals; this assessment results in a revenue gain to the General Fund that will offset the increased cost to OHS.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation, the number of applications received, and the costs of the transfers associated with the applications..

³ The application fee is determined by the cost of the project, based on a scale described in subsection (a) of Sec. 19a-639a of the CT General Statutes.