

**DEPARTMENT OF SOCIAL SERVICES
DIVISION OF FINANCIAL SERVICES
MEMORANDUM**

TO: Patricia McCooey

FROM: Mike Gilbert, Assistant Director, Division of Financial Services ^{MJG}

DATE: September 18, 2014

RE: Fiscal Note for Proposed Reg. #14-05 Treatment of Gender Dysphoria

Attached is a fiscal note to accompany the regulation cited above when it is submitted to the Governor's Office and to the Office of Policy and Management for approval. If you have any questions, please feel free to contact me at 424-5841.

Thank you.

Cc: Kathleen Brennan
Diane Benedetto
Kate McEvoy
Robert Zavoski
Mari Spallone
Nicholas Venditto
Matthew LaFayette

DSS ID # 14-05

AGENCY FISCAL ESTIMATE OF PROPOSED REGULATIONS

AGENCY SUBMITTING REGULATION Department of Social Services DATE 9/17/2014

SUBJECT MATTER OF REGULATION Treatment of Gender Dysphoria

REGULATION SECTION NO. 17b-262-342, 17b-262-456, 17b-262-612

STATUTORY AUTHORITY 17b-99(d)(11)

OTHER AGENCIES AFFECTED _____

EFFECTIVE DATE USED IN COST ESTIMATE July 1, 2014

ESTIMATE PREPARED BY Matthew LaFayette

QUESTIONS SHOULD BE ADDRESSED TO Michael Gilbert TELEPHONE 860-424-5841

SUMMARY OF STATE COST AND REVENUE IMPACT OF PROPOSED REGULATION

Agency Department of Social Services Fund Affected General

	SFY 2015	SFY 2016
Number of Positions		
Personal Services		
Other Expenses		
Equipment		
Grants (Medicaid)		
Total Gross Costs (Savings)	See Below	See Below
Estimated Federal Share		
Estimated State Share		

STATE IMPACT OF REGULATION:

This regulation will bring the department's Medicaid coverage regulations into line with current medical practice. In particular, the regulation will eliminate the provision in various regulations and medical services policies that prohibits payment for sexual reassignment surgery and related services and procedures. These coverage exclusions were originally based upon the view that such surgeries and related procedures and

services were experimental or unproven in nature. The medical community now recognizes a variety of surgeries and treatments for "gender identity disorder" or "gender dysphoria". These diagnoses are recognized in the Diagnostic and Statistical Manual of Mental Disorders (DSM-4) and the forthcoming DSM-5.

(A) The problems, issues or circumstances that the regulation proposes to address: This regulation is necessary to enable the department to cover the full complement of services for clients with a diagnosis of gender dysphoria or gender identity disorder. The exclusion of such services is no longer reasonable. There now exists a body of scientific evidence that demonstrates: broad agreement that gender dysphoria is diagnosable; the safety and efficacy of the surgeries when medically necessary; and broad consensus that the services should longer be considered experimental. The regulation will also remove any potential conflict between the department's coverage policy and the state prohibition against discrimination based on "gender identity or expression" as enacted in Public Act 11-55.

(B) The main provisions of the regulation: Removes the coverage limitations in the following regulations and medical services policies: physician services, nurse practitioner services, psychiatrists, medical clinics, and inpatient hospital services.

(C) The legal effects of the regulation, including all of the ways that the regulation would change existing regulations or other laws: The proposed regulation will amend the existing regulations for various types of medical services to enable the department to provide a comprehensive scope of services to Medicaid clients with a diagnosis of gender dysphoria or gender identity disorder.

FINANCIAL IMPACT:

This proposed regulation removes the State of Connecticut's prohibition on paying for sexual reassignment surgery and the related services and procedures. The Department anticipates an increase in Medicaid expenditures as a result of increased utilization of gender confirming services. In order for sexual reassignment surgery to be considered clinically appropriate, clients must meet certain criteria, some of which can take over a year to satisfy. As a result, the Department does not expect to incur a significant amount of new expenditures in the immediate fiscal years related to sexual reassignment surgery and the related services and procedures. The estimated Medicaid expenditure impact of this change in SFY 2015 is an increase to the state share of \$107,744 and the federal share of \$161,617. In SFY 2016, the estimated Medicaid expenditure impact of this change is an increase to the State share of \$215,489 and the federal share of \$323,233. While this coverage change is effective July 1, 2014, a lag in claims activity of six months is anticipated, which is reflected in the estimated SFY 2015 expenditures.

EXPLANATION OF MUNICIPAL IMPACT OF REGULATION:

None.

SMALL BUSINESS IMPACT :

While the Department does not anticipate that the proposed regulations will have a significant impact on small businesses, small businesses will have the opportunity to bring any unanticipated concerns to the Department's attention through notice and public comment.