

OFFICE OF FISCAL ANALYSIS

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<http://www.cga.ct.gov/ofa>

HB-5384

AN ACT CONCERNING PRESCRIPTION DRUG COSTS. AMENDMENT

LCO No.: 5048

File Copy No.: 317

House Calendar No.: 212

OFA Fiscal Note

See Fiscal Note Details

The amendment strikes the underlying bill and its associated fiscal impact.

The amendment establishes new requirements regarding the prescription drug market which result in an impact to the state and municipalities as described below.

The provisions of the amendment result in (1) a cost to the Insurance Fund of approximately \$100,000 in FY 20 (half year) and \$200,000 annually thereafter for the Insurance Department (DOI) to support an insurance actuary,¹ (2) a cost to the Insurance Fund of approximately \$125,000 for consultant services for DOI in FY 20, and (3) a cost to the General Fund of approximately \$50,000 in FY 20 (half year) and \$100,000 annually thereafter for the Office of Health Strategy

¹ The fringe benefit costs for employees funded out of other appropriated funds are budgeted within the fringe benefit account of those funds, as opposed to the fringe benefit accounts within the Office of the State Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes for other appropriated fund employees is 87.66% of payroll in FY 19 and FY 20.

to support a research analyst.²

The provisions of the amendment result in a potential minimal revenue gain to the General Fund from penalties imposed by the amendment.

Lastly, section 4 of the amendment does not result in a fiscal impact to the state employee and retiree health plan as the state plan currently complies with the rebate pass through requirements. Section 4 may result in an impact to fully-insured municipal plans to the extent rebates are not currently passed through to the consumers in premiums. The impact will be reflected in fully insured premiums for policies issued on or after March 1, 2022. Due to federal law, this provision does not impact self-insured municipalities.

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.

² 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 36.33% of payroll in FY 19 and FY 20.