

OFFICE OF FISCAL ANALYSIS

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SB-303

AN ACT CONCERNING OUTPATIENT CLINICS, URGENT CARE CENTERS AND FREESTANDING EMERGENCY DEPARTMENTS. AMENDMENT

LCO No.: 4009

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Senate Calendar No.: 301

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 19 \$	FY 20 \$
UConn Health Ctr.	Various - Revenue Loss	Less than 4.2 million	Less than 5.6 million
UConn Health Ctr.	Various - Eliminates Potential Cost in Bill	See Below	See Below

Note: Various=Various

Municipal Impact: None

Explanation

The amendment strikes the underlying bill and its associated fiscal impact. The amendment results in a revenue loss to UConn Health Center of less than \$4.2 million in FY 19 and less than \$5.6 million in FY 20 due to clarifying when a facility fee is prohibited, which is unchanged from the original bill. The amendment is not anticipated to result in a fiscal impact to the state or municipal health plans as it is consistent with current reimbursement practices of the plans.

The amendment removes the original bill's potential cost to the UConn Health Center associated with signage requirements, as the amendment's signage requirements do not apply to UConn Health

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(which has no freestanding emergency department).

Section 1 results in a revenue loss to UConn Health because it clarifies that hospital-based off-site urgent care centers may not collect facility fees associated with evaluation/management services, except for emergency departments meeting specific criteria. Therefore, UConn Health will be prohibited from charging a facility fee for evaluation/management services provided at its off-site urgent care clinics.

In FY 17, UConn Health collected facility fees from off-site services totaling \$15 million. It is estimated using prior year data that approximately 37.5 percent of this revenue was attributable to non-dermatology off-site facilities, which results in annual revenue of approximately \$5.6 million. As a portion of this annual revenue may be due to facility fees collected in association with non-evaluation/management services, and with non-urgent care facilities, the actual revenue loss will be less than \$5.6 million. The FY 19 estimated revenue loss of less than \$4.2 million reflects approximately three-quarters of annual revenue loss as the amendment's effective date is October 1, 2018.

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.