

OFFICE OF FISCAL ANALYSIS

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sSB-838

AN ACT CONCERNING REQUIRED HEALTH INSURANCE
COVERAGE AND COST-SHARING FOR MAMMOGRAMS AND
BREAST ULTRASOUNDS.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 20 \$	FY 21 \$
State Comptroller - Fringe Benefits (State Employee and Retiree Health Plan)	GF&TF - Potential Cost	Less than \$15,000	Less than \$15,000

Note: GF&TF=General Fund & Transportation Fund

Municipal Impact:

Municipalities	Effect	FY 20 \$	FY 21 \$
Various Municipalities	STATE MANDATE ¹ - Potential Cost	See Below	See Below

Explanation

There may be a cost to the state employee and retiree health plan of less than \$15,000 annually from eliminating cost-sharing for breast ultrasound examinations and mammograms.² The potential cost is attributable to out-of-network ultrasound examinations and

¹ State mandate is defined in Sec. 2-32b(2) of the Connecticut General Statutes, "state mandate" means any state initiated constitutional, statutory or executive action that requires a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

² Approximately 32% of active state employees are enrolled in a POS plan and 29% of plan members are females in the appropriate age cohort covered by the bill. The estimate assumes less than 10% of services may be subject to cost sharing.

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mammograms for members enrolled in the state Point of Service (POS) plans³ and those not currently enrolled in the Health Enhancement Program (HEP).⁴ The state plan does not currently impose cost-sharing for in-network examinations for members in HEP. The vast majority of members use in-network services and are enrolled in HEP. The bill's expanded coverage of ultrasound services are not anticipated to change the utilization of plan members compared to current law.

The bill's elimination of cost-sharing may increase costs for certain fully insured municipalities which require member cost-sharing. The impact of the bill's requirements will be reflected in premium costs plans entered into on and after January 1, 2020. Pursuant to federal law, self-insured plans are exempt from state health insurance mandates.⁵

Lastly, many municipal plans may be recognized as "grandfathered"⁶ plans under the federal Affordable Care Act (ACA). It is uncertain what the effect of this mandate will have on the grandfathered status of those municipal plans.

The bill is not anticipated to result in a fiscal impact to municipalities who operate a high deductible plan as the bill's provisions are preempted by federal law.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future based on the utilization of out-of-network services by members.

³ Members enrolled in a POS plan are required to pay 20% of allowable costs after satisfying the plan deductible and 100% of costs charged by the provider in excess of the allowable cost.

⁴ Members not enrolled in the HEP plan must satisfy the plan's deductible for services where there is no cost sharing.

⁵ The state employee and retiree health plan is a self-insured health plan. Pursuant to federal law, self-insured health plans are exempt from state health mandates. However, the state has traditionally adopted all state health mandates

⁶ Grandfathered plans include most group health insurance plans and some individual plans created or purchased on or before March 23, 2010.

Source *Office of the State Comptroller State Health Plan, Plan Benefit Document as of
January 2018*