OFFICE OF FISCAL ANALYSIS

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HB-6003
AN ACT CONCERNING DIABETES AND HIGH DEDUCTIBLE HEALTH PLANS.
As Amended by House "A" (LCO 3784), House "B" (LCO 3805)

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 21 $	FY 22 $
Consumer Protection, Dept.	GF – Cost	12,000	None
Consumer Protection, Dept.	GF - Potential Cost	Up to 50,000	Up to 15,000
Social Services, Dept.	GF - Potential Cost	None	100,000

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 21 $	FY 22 $
Various Municipalities	STATE MANDATE[1] - Potential Cost	None	See Below

Explanation

The bill as amended requires the Department of Social Services (DSS) to develop a referral system for diabetes treatment, establishes new reporting and prescription guidelines for pharmacies related to diabetes, and caps the out-of-pocket cost for diabetes treatments under most health insurance policies.

Section 1 could result in a cost to DSS in FY 22 associated with a

[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.

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program to refer individuals with diabetes to federally-qualified health centers and other covered entities for treatment, regardless of health coverage. If such a program is established, DSS would incur costs associated with managing client information and referrals via a web site to collect information from and provide information to each individual in the state who has been diagnosed with diabetes. This would result in increased contract costs of at least $100,000 to develop the interactive website, as well as ongoing maintenance costs.

DSS may determine the program is better implemented by applying for a federal section 1115 demonstration project, under which federal Medicaid expenditures must be budget neutral.

There is no fiscal impact associated with the working group established in this section.

Sections 2-8 list prescribing and reporting requirements for pharmacies dispensing diabetes supplies or equipment and result in a cost to the Department of Consumer Protection of $12,000 in FY 21 and a potential cost of up to $50,000 in FY 21 and up to $15,000 annually thereafter for upgrading and maintaining the Prescription Drug Monitoring Program (PDMP) with the requirements in the bill.

The PDMP will be upgraded to add the pharmacist as a prescriber which will cost $12,000 in FY 21. It will also be upgraded to track the reporting of the dispensation of insulin or glucagon products and medical devices associated with diabetes and has a potential cost of up to $50,000 in FY 21 and up to $15,000 annually thereafter. The potential cost is dependent on if the products and devices associated with insulin and diabetes have National Drug Codes (NDC). If these products and devices do not have NDC's funding will be required to process them in the PDMP.

The diabetes cost-sharing requirements in the bill as amended are not anticipated to result in a cost to the state employee and retiree health plan or to municipalities which participate in the Partnership Plan administered by the Office of the State Comptroller as the plans

do not require cost sharing for diabetes related prescriptions or services as defined in the bill, in excess of the limits. The state plan and the Partnership Plan's Health Enhancement Program (HEP) do not require cost sharing for diabetes medication. While there are some employees who are not currently enrolled in the HEP program, the impact from non-HEP enrollees is not anticipated to materially impact the plan as they represent less than 1% of the total covered population.

The bill as amended may result in a cost to fully-insured municipalities who require cost sharing in excess of the bill's limits. The impact will be reflected in premiums for plan years effective on and after January 1, 2022.

Pursuant to federal law self-insured plans are exempt from state health mandates.

House "A" makes clarifying changes to section 3 of the bill as amended and has no fiscal impact.

House "B" allows the Commissioner of Public Health to make regulatory changes to reduce the spread of COVID-19 and to provide telehealth services to residents and results in no fiscal impact.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.