

OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200
Hartford, CT 06106 ◊ (860) 240-0200
<http://www.cga.ct.gov/ofa>

sHB-6626

AN ACT CONCERNING REQUIRED HEALTH INSURANCE AND
MEDICAID COVERAGE, AMBULANCE SERVICES AND COST
TRANSPARENCY.

As Amended by House "A" (LCO 7698)

House Calendar No.: 267

OFA Fiscal Note

State Impact:

| Agency Affected | Fund-Effect | FY 22 \$ | FY 23 \$ |
|---------------------|-------------|-----------|-----------|
| ACA – State Mandate | GF - Cost | See Below | See Below |

Note: GF=General Fund

Municipal Impact:

| Municipalities | Effect | FY 22 \$ | FY 23 \$ |
|------------------------|--------|----------|----------|
| Various Municipalities | Cost | Minimal | Minimal |

Explanation

The bill as amended expands the criteria for which health insurance policies must provide coverage for mammograms and other treatments used to diagnose breast cancer, mandates coverage for prophylactic mastectomies and breast reconstructive surgery, and results in a cost to the state to defray costs of providing these benefits on the Exchange. The bill as amended will also result in a cost to fully-insured municipalities.

The bill as amended is anticipated to expand coverage under the Exchange and fully-insured municipal plans in only limited circumstance; federal and state law already mandate the included benefits for a variety of criteria.

There is a cost to fully-insured municipalities due to expanding

Primary Analyst: AN
Contributing Analyst(s):

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coverage criteria for the included diagnostic treatments and procedures, to the extent that their policies are not currently in accordance with the provisions of the amendment. The cost to include any associated benefits not currently covered will be reflected in plan premiums for plan years starting on or after January 1, 2022. Premiums will increase based on the projected utilization of benefits, as determined by plan actuaries.

The bill as amended will also result in a cost to the state pursuant to the Affordable Care Act to the extent the benefits are not currently covered under the Exchange's benchmark plan. Federal law requires the state to defray the cost of any such additional mandated benefits for all plans sold in the Exchange, by reimbursing the carrier or the insured for the excess coverage. Absent further federal guidance, state mandated benefits enacted after December 31, 2011 cannot be considered part of the essential health benefits required under federal law, unless they are already part of the benchmark plan.

The bill as amended is not anticipated to result in a cost to the state employee and retiree health plans, as the plans generally cover the included benefits. While self-insured plans are exempt from state insurance mandates, the state employee and retiree health plans have traditionally adopted them.

House "A" struck the underlying bill and its associated fiscal impact, and results in the fiscal impact described above.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to future utilization and change to premiums.