

OFFICE OF FISCAL ANALYSIS

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SB-1048

AN ACT CONCERNING REIMBURSEMENTS FOR CERTAIN COVERED HEALTH BENEFITS.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
UConn Health Ctr.	Other - See Below	None	See Below

Municipal Impact: None

Explanation

The bill requires contracts between insurers and providers to entail equal reimbursement for certain outpatient services, regardless of the type of facility in which the service was provided, for contracts that are new, renewed, or amended beginning July 1, 2022 (FY 23). The bill also requires equal reimbursement rates for the same services, for all of an insurer's contracting providers in the same region, in certain circumstances. The bill is anticipated to decrease reimbursements for hospital settings and hospital-based facilities, and to increase reimbursements for outpatient facilities for the treatments outlined in the bill.

It is uncertain if the net costs to insurers will increase based on negotiated rates and changes in utilization by setting, as reflected in premiums for plan years starting after July 1, 2022.

The UConn Health Center may be impacted by the bill. The health center offers outpatient services in both regular outpatient and hospital-based outpatient facilities. The reimbursement rates could be affected for the services specified in the bill, particularly in the

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hospital-based facilities. Hospital-based facilities must comply with numerous requirements not imposed on other outpatient facilities, such as Joint Commission accreditation, staffing requirements, and availability of emergency equipment, and consequently, total reimbursement rates may be higher for hospital-based outpatient care. The impact of the regional reimbursement equity provision depends on how UConn Health's contractual reimbursements currently compare to the same insurers' reimbursements to other providers in the same geographical area, which is unknown.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation in health care costs and reimbursements.