

OFFICE OF FISCAL ANALYSIS

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

April 11, 2021

ADDENDUM

To Fiscal Note on
SB-1045, File No. 370

AN ACT CONCERNING STEP THERAPY, ADVERSE DETERMINATION AND UTILIZATION REVIEWS, AND HEALTH INSURANCE COVERAGE FOR CHILDREN, STEPCHILDREN AND OTHER DEPENDENT CHILDREN.

The bill may result in a cost to the state employee and retiree health plan and will result in a cost to fully-insured municipalities by creating a rebuttal presumption under the adverse determination and utilization review processes that a service ordered by a physician is medically necessary.

The bill places the burden of proof upon a carrier that a service ordered by a physician is not medically necessary, which contrasts with current practice. To the extent the bill results in services being rendered that otherwise would have been denied, there is a cost. The cost to fully-insured municipalities will be reflected in premiums for plan years adopted after January 1, 2022.

It is unclear how the bill may affect the state employee and retiree health plan, as a utilization standard was established pursuant to the 2017 State Employees Bargaining Agent Coalition (SEBAC) agreement and the state plan is exempt from state health mandates pursuant to federal law.