

# OFFICE OF FISCAL ANALYSIS

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sHB-6711

## AN ACT CONCERNING MANDATED HEALTH INSURANCE BENEFIT REVIEW.

As Amended by House "A" (LCO 6568)

House Calendar No.: 230

Senate Calendar No.: 606

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### **OFA Fiscal Note**

#### **State Impact:**

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Insurance Dept.	IF - Revenue Gain	See Below	See Below
Insurance Dept.	IF - Cost	See Below	See Below

Note: IF=Insurance Fund

**Municipal Impact:** None

#### **Explanation**

The bill modifies the Health Benefit Review Program (HBRP), which could result in a cost and an equivalent increase in revenue to the Insurance Fund, beginning in FY 24.

Under the program, the Insurance Department (DOI) contracts with outside entities to conduct reviews of proposed health insurance benefit mandates. These contract costs are paid for through an assessment on insurers, so the bill's changes to the program are not anticipated to result in a net fiscal impact to the state.

Costs (and offsetting revenue) under the bill are anticipated to range between \$60,000 and \$75,000 per health benefit mandate reviewed each fiscal year. The bill makes various changes that impact costs under the program.

Primary Analyst: MP  
Contributing Analyst(s):  
Reviewer: MR

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First, the bill may increase the frequency with which reviews are conducted, by annually requiring the Insurance and Real Estate Committee's chairs and ranking members to review each proposed mandated health benefit that received a public hearing in any committee during the regular legislative session. With the agreement of one chair and one ranking member, any of those mandates may be selected for evaluation under the HBRP. The last time the program reviewed mandates was in FY 15; however, more than 20 proposed mandates have had public hearings across the last three sessions.

Second, the bill makes changes that are likely to reduce the cost per mandate reviewed, such as allowing DOI to contract directly with an actuarial accounting firm to conduct the reviews and reducing the criteria that must be included in the report for each benefit mandate.

House "A" makes changes that reduce the anticipated costs and corresponding revenue gain to the Insurance Department associated with the HBRP.

### ***The Out Years***

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

*The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.*