

OFFICE OF FISCAL ANALYSIS

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sHB-6740

AN ACT CONCERNING HOSPITAL FINANCIAL POLICIES.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
UConn Health Ctr.	Various - Revenue Loss	2 million	2 million
UConn Health Ctr.	Various - Cost	245,000	245,000
Office of Health Strategy	IF - Cost	400,000	150,000

Note: Various=Various; IF=Insurance Fund

Municipal Impact: None

Explanation

The bill results in a significant revenue loss to UConn Health by requiring hospitals, starting October 1, 2023, to give patients financial assistance that (1) partially or wholly reduces a patient's liability for the cost of care and (2) covers all medically necessary services and supplies. This would result in UConn Health receiving a reduction in payments from patients. It is estimated that approximately 22% of UConn Health patients with out-of-pocket balances after insurance would qualify for financial assistance, resulting in approximately \$2 million in underinsured balances adjusted off annually as financial assistance.

UConn Health would also require two additional Financial Counselors (annual salary of \$60,000) to process financial assistance. This is anticipated to result in a cost, beginning in FY 24, of \$120,000 plus \$124,092 in corresponding fringe benefits.

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The bill results in a cost to the Insurance Fund of approximately \$400,000 in FY 24 and \$150,000 in FY 25 for the Office of Health Strategy (OHS) to hire one Durational Project Manager (DPM) and one Health Care Analyst (HCA) to assist in developing a uniform application for hospital financial assistance in consultation with hospitals throughout the state. For reference, the starting salary of a DPM is \$123,600 with corresponding fringe benefits of approximately \$127,815. The starting salary for an HCA is \$71,147 with corresponding fringe benefits of approximately \$73,573. It is assumed that the DPM position will be for FY 24 only as the bill requires the application to be completed by January 2024.

The Out Years

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