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sHB-6669
AN ACT PROTECTING PATIENTS AND PROHIBITING UNNECESSARY HEALTH CARE COSTS.
AMENDMENT

LCO No.: 9990
File Copy No.: 453
House Calendar No.: 290

OFA Fiscal Note

See Fiscal Note Details

The amendment strikes the language in the underlying bill and the associated fiscal impact.

Section 1 results in a cost to the Office of the State Comptroller (OSC) of approximately $50,000 in FY 24 for consulting fees to conduct a study and submit a report on the centralization of state-wide contracts to consolidate the purchasing of prescriptions. This section also requires OSC to establish a Drug Discount Card Program, which has no fiscal impact as there is no cost to the state to participate in ArrayRx's program. Administration fees for the program are included at the time a Discount Card member picks up their prescription.

Sections 2-6 require pharmaceutical marketing firms to annually register with the Department of Consumer Protection (DCP) for a $150 fee resulting in a revenue gain and a cost to the agency. To oversee and run the new program DCP will need to hire one additional employee for an estimated salary and fringe benefit cost of $100,000 per year which is anticipated to be offset by the revenue generated from the new registration.

Section 7 results in a cost of $600,000 to the Office of Health Strategy (OHS) in FY 24 to conduct, prepare, and submit a study and corresponding report of pharmacy benefits managers' practices of prescription drug distribution.

Section 8 requires the executive director of the Office of Health Strategy to prepare a preliminary list of outpatient prescription drugs that are deemed a substantial cost to the state or critical to public health, which results in no fiscal impact.

Section 9, which expands OHS's current regulatory authority of the Certificate of Need program, results in a potential revenue gain to the Resources of the General Fund to the extent that OHS imposes civil penalties on health care providers for not complying with the conditions set forth in the bill.

Section 9 also changes provisions related to charging facility fees in certain circumstances. This could result in a significant revenue loss to UConn Health Center beginning in FY 24.

Section 10 allows the Office of the Attorney General (OAG) to enforce any cease and desist orders, which is not anticipated to result in a fiscal impact to the agency as they have the necessary staff and expertise for this purpose.

Sections 11 and 14 make technical and clarifying changes to the Certificate of Need process administered by OHS, which results in no fiscal impact.

Section 12 allows OHS to retain an independent consultant for a pending Certificate of Need application, at the expense of the applicant, when the agency lacks the subject matter expertise, which results in no fiscal impact.

Section 13, which results in no fiscal impact, requires OHS to provide a determination letter within 30 days of receipt of intent to healthcare facilities proposing to relocate.

Section 15 modifies provisions related to pharmacy benefit managers and 340B covered entities, which is not anticipated to result in a fiscal impact.

Section 16, which requires the Department of Social Services (DSS) to convene a working group to evaluate the federal 340B drug pricing program and make recommendations by 1/31/24, is not anticipated to result in a fiscal impact as the agency has the expertise to do so.

Section 17, which requires DSS to develop a strategy to improve health care outcomes, community health and health equity to support HUSKY Health members and report recommendations by 1/1/25, is not anticipated to results in a fiscal impact as the agencies involved have the expertise to do so.

Section 18 results in a potential one-time cost to the Insurance Department (DOI), anticipated to be less than $50,000, to complete an analysis of the utilization management and provider payment practices of Medicare Advantage plans and report on it to the Insurance and Real Estate Committee by January 1, 2025. To the extent DOI requires additional expertise to conduct the analysis and make recommendations, the amendment allows DOI to contract with third party professionals and specialists and pay such costs from the General Fund within available appropriations. The department does not currently have any General Fund appropriations.

Sections 19-20 prohibit health care providers, health carriers, and health plan administrators from including certain provisions in their health care contracts beginning July 1, 2024. These sections also add new contract requirements that increase transparency between health carriers and participating providers on the standards used for selecting and tiering providers. These provisions are not anticipated to have a direct fiscal impact on the state or municipalities.

Section 21 allows for electronic communication between health carriers and their insureds upon written consent of the covered individual, which has no fiscal impact to the state or municipalities as it pertains to communication between private parties.

Section 22 has no fiscal impact to the state or municipalities as it pertains to private contracts between health insurers and providers, and the notifications health insurers must send to insureds when those contracts are set to terminate.