

# OFFICE OF FISCAL ANALYSIS

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sSB-9

## AN ACT PROMOTING HOSPITAL FINANCIAL STABILITY. AMENDMENT

LCO No.: 5777

File Copy No.: 381

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### ***OFA Fiscal Note***

#### ***See Fiscal Note Details***

The amendment strikes the language and fiscal impact in the underlying bill and results in the fiscal impact described below.

**Section 1** results in a potential revenue gain to the General Fund by expanding the Office of Health Strategy's (OHS') Health Systems Planning Unit's (HSPU's) Certificate of Need (CON) requirements. The revenue gain is dependent on the number of applications received and the cost of the transfer associated with the application<sup>1</sup>.

**Sections 2 and 3** modify the CON program for health care entities beginning in FY 25, increasing annual HSPU expenditures of approximately \$440,000 in salary and fringe benefits beginning in FY 25 for two full-time positions and two consultants with external medical expertise. The staff will be needed to conduct CON application reviews on an annual basis. Costs related to HSPU are recovered via an assessment collected from the various state hospitals; this assessment results in a revenue gain to the General Fund that will offset the increased cost to OHS.

Additionally, **Section 3** requires OHS to develop and implement an

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<sup>1</sup> The application fee is determined by the cost of the project, based on a scale described in subsection (a) of Sec. 3 of the amendment.

expedited CON review process. HSPU will incur a one-time cost of \$100,000 in FY 25 to hire a consultant to assist the department in meeting the deadline for this project.

**Section 4** makes changes regarding CON approval requirements and does not result in a fiscal impact.

**Section 5** requires HSPU to convene a technical expert panel and develop a supplemental report on the state's cardiac services in consultation with that panel, which will not result in a fiscal impact.

**Section 6** requires the executive director of OHS to assess a civil penalty of up to \$5,000 to hospitals that do not comply with the financial reporting requirements set forth in this section. This results in a revenue gain for the general fund to the extent that civil penalties are assessed.

**Sections 7 and 8** make technical changes that do not result in a fiscal impact.

*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.*