

OFFICE OF FISCAL ANALYSIS

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HB-7105

AN ACT CONCERNING FORENSIC AUDITS CONDUCTED BY THE
DEPARTMENT OF SOCIAL SERVICES.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Social Services, Dept.	GF - Potential	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill may result in a fiscal impact to the Department of Social Services (DSS) associated with forensic audits and related potential civil monetary penalties on certain facilities. The bill specifies that audited facilities would be liable for forensic audit costs, up to \$100,000 under certain circumstances. The bill also subjects facilities to civil penalties of up to \$1,000 for each day a facility fails to comply with a DSS request related to a forensic audit. DSS may (1) recover such costs and penalties through reduced Medicaid payments otherwise due to impacted facilities, or (2) receive reimbursement for audit costs and collect civil penalties and reflect an associated revenue gain.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to forensic audits and any monetary penalties imposed.

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