

Appropriations Committee Meeting - May 11, 2015
Analysis of Whether Costs Described in Fiscal Notes are Included in sHB 6824
(the FY 16 and FY 17 Budget as Favorable Reported by the Appropriations Committee)

Note: For Bills on the agenda with proposed substitutes, the fiscal impact is based on the substitute language.

Prepared by: Office of Fiscal Analysis

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		FY 16 \$	FY 17 \$	FY 16 \$	FY 17 \$	
5	sHB 5437	-	-	\$1,500 per officer \$25k for DMV	\$1,500 per officer \$25k for DMV	The \$1,500 per officer cost is a cost to state and muni's. there are approx. 8,000 officers. Per CP, OPM appropriation of \$2.5m is removed in substitute language.
6	sHB 6856	205,874	205,874	-	-	\$126,000 of FY 16 cost is in existing bond authorizations.
7	sHB 6752	5,964,788	6,350,389	-	-	The fiscal note referenced a cost of \$6.7 million in FY 17. The Committee budget reduced the program by 5%.
8	SB 24	-	-	100,000	100,000	The bill requires one additional position for the Department of Insurance.
9	SB 204	-	-	Up to 40,000	-	The bill results in a one time cost for an informational and training campaign. To be provided within available appropriations.
10	SB 307	-	-	Up to 60,000	Up to 48,000	The total cost is dependent on which of the four Department of Children and Families (DCF) run facilities implement the Performance Based Standards. First year costs are \$15,000 per facility and \$10,000-12,000 every year thereafter. DCF runs four facilities to which the legislation could apply.
11	SB 418	-	-	-	-	The bill does not result in a cost to the state employee health plan or municipalities. The bill expands the list of sources in which an off-label drug may be recognized as treatment for such condition. In addition, the bill requires coverage for medically necessary services in associated with the administration of drugs already required to be covered under current law. The bill makes other stipulations which do not result in a fiscal impact.
12	sSB 427	-	-	20% of medical expenses recovered	20% of medical expenses recovered	The bill results in a cost to the state health plan and municipal health plans equal to 20% of any medical expenses recovered by the health plans for medical expenses initially paid out for a workers' compensation claim.

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13	SB 572	484,590	384,590	61,484	161,484	sHB 6824 does not include the full \$290,000 for Other Expenses in FY 16 or FY 17. sHB 6824 includes \$270,000 in FY 16 and \$170,000 in FY 17. This will result in \$230,000 in FY 16 and \$130,000 in FY 17 for consulting services as opposed to \$250,000 in both fiscal years. The Office of Consumer Counsel does not have expertise with gigabit internet infrastructure.
14	SB 811	-	-	335,854	485,013	The bill requires 3 additional positions at the Office of the Attorney General and 2 additional positions at the Office of Health Care Access.
15	sSB 813	-	-	Up to 155,000	Up to 142,400	The bill will require one additional full time position at the UConn Health Center and one half time position at the Department of Insurance. An additional one-time cost of \$50,000 would be incurred at the UConn Health Center for data system development.
16	sSB 857	18,075	27,799	-	-	The bill results in a cost of \$18,075 in FY 16 and \$27,799 in FY 17 to the Department of Public Health (DPH) from the establishment of a new "Genetic Counselor" licensure category that is included in the DPH budget.

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		FY 16 \$	FY 17 \$	FY 16 \$	FY 17 \$	
17	sSB 860	-	-	Potential Significant Cost/Potential Savings	Potential Significant Cost/Potential Savings	The bill requires DSS to implement presumptive eligibility for the Connecticut Home Care Program (CHCP) under Medicaid, resulting in several impacts: 1) The state would incur a one-time cost due to the acceleration of eligibility determinations and the provision of benefits sooner. The CHCP averaged 203 monthly admissions in FY 14, with a per diem cost of \$69. A subset of these clients would experience accelerated eligibility for 90 days; 2) The state would incur costs for making retroactive payments for individuals determined to be Medicaid eligible. For purposes of an example, making retroactive payments for 57 individuals (the average monthly change in clients) for the three months prior to their application would result in a cost of \$359,100. The net cost to the state under Medicaid would be \$179,000. This also assumes the approval for such payments by CMS; 3) The state would incur an ongoing cost related to providing benefits for clients who are eventually determined ineligible for Medicaid; and 4) There is a potential savings if the provision of home care services during the eligibility determination process prevents or delays admission to a more expensive, Medicaid funded care setting, such as a nursing home.

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		FY 16 \$	FY 17 \$	FY 16 \$	FY 17 \$	
18	sSB 1061	-	-	Up to 50,000 for DMV. Minimal one-time costs (\$20 for each placard erected) to DEEP.	Minimal one-time costs (\$20 for each placard erected) to DEEP.	Sections 1-4 of the bill require the Department of Motor Vehicles (DMV) to include an opt-out checkbox for a \$5 charitable donation on registration forms for passenger motor vehicles and motorcycles. It is anticipated that DMV would need up to \$50,000 in reprogramming costs associated with the registration form. Sec. 9 requires donations, of at least \$2,500 into the newly created "state parks sustainability account", a nonlapsing account within the General Fund, to be recognized by a placard at the adopted park showing the donor's name and sponsorship level. It is estimated that there will be less than 20 donations of this amount annually (resulting in a revenue gain of less than \$50,000 to the account). This requirement is also anticipated to result in one-time minimal costs to DEEP in FY 16 and FY 17 for each placard (approx. \$20 each - not included in sHB 6824).
19	sHB 6861	-	-	20,995	33,562	The bill requires one half-time office assistant in DPH to carry out responsibilities related to the new marriage and family therapy associate licensure.
20	SB 207	100,000	225,000	350,000	-	- The bill appropriates \$450,000 in FY 16 to DPH for: a grant of \$170,000 campaign for Lyme Disease Prevention and a grant of \$280,000 to Ridgefield Health Department for BLAST lyme disease prevention program model.
21	SB 209	-	-	300,000	-	- The bill results in a cost of \$300,000 in FY 16 associated with appropriating such funding to the Office of Early Childhood as a grant to the Reach Out and Read organization.

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22	sSB 286	-	-	5,000,000	-	The bill appropriates \$5 million from the General Fund in FY 16 to the Department of Rehabilitation Services (DORS) to establish a grant program for home modification and assistive technology to permit eligible individuals to age in place in a home setting of their choice.
23	SB 321	-	-	200,000	-	The bill appropriates \$200,000 to the City of New Haven in FY 16 for a program to assist teen mothers with children age three or younger. This results in a cost to the General Fund of \$200,000 and a corresponding revenue gain to the City of New Haven. This funding was not included in the Appropriations Committee budget and thus would have spending cap implications. The bill does not specify what state agency must make this payment.
24	SB 439	-	-	9,953 to 10,799	13,842 to 15,019	The bill extends hazardous duty retirement status to two positions within the Dept. of Energy and Environmental Protection.

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25	SB 705	-	-	\$11 to \$54 million	\$11 to \$54 million	The bill will result in a cost to the Department of Social Services associated with increasing the liquid assets that a community spouse can retain to the maximum amount allowed under federal law (\$119,220). Based on the \$119,220 range of assets impacted by the bill, enrollees could experience up to 10 months of accelerated eligibility. This could result in a gross Medicaid cost of \$22 million, or a net cost to the state of \$11 million for 30 individuals, and a Medicaid cost of \$108 million, or a net cost to the state of \$54 million for 150 individuals. It should be noted that it is unlikely that all 150 enrollees would experience all 10 months of accelerated eligibility and the associated cost, since this calculation is based on maximum applicability. Rather, only a subset of married enrollees may have assets in the applicable range that would be utilized to off-set Medicaid costs.
26	SB 716	-	-	300,000 to 706,500	300,000 to 706,501	The bill expands eligibility to the Alzheimers Respite program and eliminates the requirement that the program be operated within available appropriations.

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27	SB 807 (Sen. "A", LCO 6203)	-	-	See Comments	See Comments	The bill is anticipated to result in a cost of \$285,000 to the Insurance Fund (IF) beginning in FY 16 for additional staff and resources at the Insurance Department. The bill requires the Department of Insurance to establish a tiered provider network pilot program. The bill will result in a revenue loss to the University of Connecticut Health Center (UCHC). Depending upon how stringently "outside the hospital" is interpreted, the bill would impact between \$9.2 million and \$31 million in annual UCHC billing. It is unclear whether UCHC would be able to otherwise recoup these billings, or that this would represent lost revenue. Section 4 of the bill further requires hospitals and health systems to negotiate separately for each facility, and prohibits hospitals from requiring insurers to cover all services offered. This will result in an additional administrative cost to UCHC of approximately \$450,000 annually. This cost represents the salary and fringe benefit costs for three contracting staff to meet the need for additional separate contract negotiations. This section may further reduce revenue to UCHC if the health center's ability to negotiate rates and coverages is negatively impacted.

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28	sSB 812	1,000,000	1,000,000	85,000,000-UCHC 550,000-UCHC 174,000-DRS	550,000-UCHC 119,000-DRS 1.5 M-Debt Service	The bill establishes a State-wide Health Information Exchange (the Exchange) and requires the Department of Public Health (DPH) to issue a request for proposal (RFP) to eligible nonprofits for the development, management and operation of the Exchange. The bill authorizes a total of \$50 million in General Obligation (GO) bonds over four years for the development and maintenance of the Exchange. There is \$1 million appropriated in the DPH budget to provide funds for bipartisan hospitals & healthcare plans. This funding may be used for a portion of the DPH costs resulting from the Exchange: \$400,000 in FY 16 and \$831,428 in FY 17 for staff to implement the RFP and to supervise the Exchange. The bill also establishes a tax credit for health care providers that results in a potential significant revenue loss.

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29	sSB 815	-	-	See Comments	See Comments	The bill establishes a new Commission on Health Care Policy and Cost Containment and enumerates its various duties and responsibilities. Based on the various requirements detailed in the bill, it is assumed that the Commission will require extensive administrative resources to accomplish its duties. The extent of these costs will depend upon the number of employees hired by the Commission as well as any potential contracts undertaken, which cannot be known in advance. For purposes of comparison, the Department of Public Health's Office of Health Care Access (OHCA) has some similar broad health oversight responsibilities. In FY 15 OHCA employed 19 full time employees and had Personal Services and Other Expenses costs totaling \$1.9 million. The new Commission would further incur related fringe benefit and indirect overhead costs. Based on the OHCA staffing levels and the current ratios for special fund state agencies, these related costs could total an additional \$1.4 million.

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30	sSB 993 (Sen. "A", LCO 6382)	-	-	See Comments	See Comments	The bill prohibits hospitals from charging facility fees for certain outpatient services provided in a hospital based facility, effective October 1, 2015. This change will result in a significant revenue loss to the John Dempsey Hospital (JDH) at the University of Connecticut Health Center (UCHC). As the current statute defines "facility fee" as a fee intended to compensate a hospital for operational expenses, it appears the bill could preclude UCHC from charging for any eligible outpatient services provided at JDH. In FY 15, it is anticipated that a total of \$145 million in eligible outpatient services will be provided at JDH. Should UCHC be unable to find a method by which to bill for these services rendered, a significant revenue loss will result. The bill may result in a savings to the state employee and retiree health plan and fully insured municipalities ¹ to the extent that eligible outpatient services provided at a hospital facility are not required to be covered by the plans; based on both the current statutory definition of "facility fee" and the exclusions in the bill.