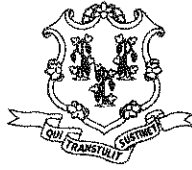


Connecticut General Assembly




OFFICE OF FISCAL ANALYSIS

Alan Calandro, Director
PHONE: (860) 240-0200
FAX: (860) 240-0052
<http://www.cga.state.ct.us/ofa>

ROOM 5200
Legislative Office Building
Hartford, CT. 06106-1591
ofa@po.state.ct.us

January 13, 2012

TO: Senator Andrew Roraback
Representative Paul Davis
Co-Chairs, Regulations Review Committee

FROM: Alan Calandro, Director 

SUBJECT: Review of Agenda Items for the January 24, 2012 Meeting

OFA has reviewed the state and municipal fiscal impact of the three submitted items on the agenda (2011-031, 2011-032 and 2011-034) for the above meeting.¹ The following table summarizes our review.

Reg. #	Agency	Is Agency Estimate of State Impact Reasonable?	Is Agency Estimate of Municipal Impact Reasonable?	Did Agency Submit a Small Business Impact Statement? ²	Did Agency Submit a Regulatory Flexibility Analysis? ³
2011-031	DOI	Yes	Yes	Yes	No
2011-032	DEEP	Yes	Yes	Yes	No
2011-034	DSS	Yes	Yes	NA	NA

¹ CGS Section 2-71c(c)(7) requires OFA to prepare "short analyses of the costs and long range projections of ... proposed agency regulations."

² PA 09-19 requires agencies to prepare a small business impact statement on all regulation submittals, effective October 1, 2009.

³ CGS 4-168(a) requires agencies to prepare a regulatory flexibility analysis statement on all regulation submittals when there is an impact on small businesses.

Attached are copies of the agency fiscal notes, small business impacts, and/or regulatory flexibility analyses as submitted.

Please contact me if you have any questions or would like additional information.

AC: lmk
Regs-Jan13,12-concur
Office of Fiscal Analysis

CONNECTICUT INSURANCE
DEPARTMENT

EXHIBIT ^D

AGENCY FISCAL ESTIMATE OF PROPOSED REGULATION

Agency Submitting Regulation: INSURANCE DEPARTMENT Date: May 18, 2011

Subject Matter of Regulation: TERRITORIAL AUTOMOBILE INSURANCE RATING

Regulation Section No.: Sections 38a-686-1 through 38a-686-4 Statutory Authority: 38a-686(d)

Other Agencies Effected: NONE

Effective Date Used In Cost Estimate: May 18, 2011

Estimate Prepared By: Michael Malesta

Telephone No.: 860.297.3929

ESTIMATE OF COST OR REVENUE IMPACT OF PROPOSED REGULATION

Agency: INSURANCE DEPARTMENT

Fund Effected: NONE

	First Year	Second Year	Full Operation
Number of Positions	0	0	0
Personal Services	0	0	0
Other Expenses	0	0	0
Equipment	0	0	0
Grants	0	0	0
Total State Cost or (Savings)	0	0	0
Estimated Revenue Gain or (Loss)	0	0	0
Total Net State Cost or (Savings)	0	0	0

Explanation of State Impact of Regulation: NO IMPACT

Explanation of Municipal Impact of Regulation: NO IMPACT

Explanation of Small Business Impact of Regulation: NO IMPACT

Is a regulatory flexibility analysis required pursuant to C.G.S. 4-168a? NO

Small Business Impact Statement EXHIBIT E

Prior to adopting a new section or amendment, Section 4-168a of the Connecticut General Statutes (C.G.S.) requires that each state agency consider the effect of such action on small businesses as defined in C.G.S. Section 4-168a. When such regulatory action may have an adverse effect on small businesses, C.G.S. Section 4-168a directs the agency to consider regulatory requirements that will minimize the adverse impacts on small businesses if the addition of such requirements (1) will not interfere with the intended objectives of the regulatory action and (2) will allow the new section or amendment to remain consistent with public health, safety and welfare.

State Agency submitting proposed regulations: **Insurance Department**

Subject matter of Regulation: **Territorial Rating System for Automobile Insurance**

In accordance with C.G.S. Section 4-168a, staff analyzed the effect on small businesses of the proposed regulations and determined the following:

Check all appropriate boxes:

- The regulatory action will not have an effect on small businesses.
- The regulatory action will have an effect on small businesses, but will not have an adverse effect on such small businesses.
- The regulatory action may have an adverse effect on small businesses, and no alternative considered would be both as effective in achieving the purpose of the action and less burdensome to potentially effected small business. Alternatives considered include the following:
- (1) The establishment of less stringent compliance or reporting requirements for small businesses;
 - (2) The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses;
 - (3) The consolidation or simplification of compliance or reporting requirements for small businesses;
 - (4) The establishment of performance standards for small businesses to replace design or operational standards required in the new section or amendment; and
 - (5) The exemption of small businesses from all or any part of the requirements contained in the new section or amendment.
- The regulatory action will have an adverse effect on small businesses that cannot be minimized in a manner that is consistent with public health, safety and welfare.

Has the State agency listed above notified the Department of Economic and Community Development of its intent to take the proposed action and completed the Agency Fiscal Estimate of Proposed Regulations? **YES**



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

Small Business Impact Analysis

TERRITORIAL RATING SYSTEM FOR AUTOMOBILE INSURANCE

Public Act No. 09-19, An Act Requiring Economic Impact Analysis for Proposed Regulations, requires regulating agencies to prepare an economic impact analysis that identifies the impact the regulatory action may have on small businesses.

This legislation describes a simple analysis that includes an estimate of the number of small businesses subject to the proposed regulation and the projected costs required for compliance with the proposed regulation.

Insurance Department – Proposed regulation concerning a territorial rating system for automobile insurance.

Statement of Purpose: The purpose of this proposed regulation is to implement: (i) the territorial rating system and its requirements for use in the development of private passenger nonfleet automobile insurance rates as set forth in Public Act 10-7; and (ii) the Insurance Department guidelines and bulletins that pertain to territorial rating classification requirements for private passenger nonfleet automobile insurance.

Step 1. Identify industry (NAICS) code for “Direct Property and Casualty Insurance Carriers.”

- a. Go to <http://www.census.gov/epcd/www/naics.html>.
- b. Enter “Direct Property and Casualty Insurance Carriers” in search box.
- c. Resulting NAICS code is 524126.

Step 2. Look up number of Direct Property and Casualty Insurance Carriers businesses and employees in Connecticut.

- a. Go to <http://www.census.gov/econ/www/index.html>.
- b. Select the “Data by Geography” tab and then the “County Business Patterns -- States” link <http://www.census.gov/econ/cbp/index.html>
- c. Select “Connecticut” from drop down box. Click on “Submit.”

Go to entry under “Industry Code” 52

- d. Divide total employees by total firms to determine the average number of employees

Industry Code	Industry Code Description	Employees	Total Firms	Avg. Employees
524126	Direct Property and Casualty Insurance Carriers	13,173	262	50
Total		13,173	262	50

Step 3. Determine the cost of complying with the proposed regulation.

- a. Specify the actions required of the effected businesses by the proposed regulation and their costs.

There are no new costs for the effected businesses. The proposed regulation changes the methodology used in developing private passenger automobile insurance rates. This is solely a computational change in rate-making methodology and would not require additional employee costs.

- b. Multiply the approximate cost by the average number of employees: 50 employees times \$0 cost = \$0 additional cost.

Step 4. Complete small business economic impact estimate.

- a. Estimated number of small businesses to be affected:

0

- b. The projected costs, including reporting, recordkeeping and administration, and other costs required for compliance with the proposed regulation:

0

AGENCY FISCAL ESTIMATE OF PROPOSED REGULATION

Agency Submitting Regulation: Environmental Protection (DEP) Date: December 6, 2010

Subject Matter of Regulation: Importation, Possession, Liberation of Wild Animals

Regulation Sections No.: RCSA 26-55-2 and 26-55-5

Statutory Authority: CGS 26-55

Other Agencies Effected: None

Effective Date Used In Cost Estimate: December 6, 2010

Estimate Prepared By: Richard A Jacobson, Director Telephone No.: 860-424-3482

ESTIMATE OF COST OR REVENUE IMPACT OF PROPOSED REGULATION

Agency: Environmental Protection Fund Effected: N/A

	First Year	Second Year	Full Operation
Number of Positions	0	0	0
Personal Services	0	0	0
Other Expenses	0	0	0
Equipment	0	0	0
Grants	0	0	0
Total State Cost or (Savings)	0	0	0
Estimated Revenue Gain or (Loss)	0	0	0
Total Net State Cost or (Savings)	0	0	0

Explanation of State Impact of Regulation:

There is no anticipated impact to the state.

Explanation of Municipal Impact of Regulation:

There is no anticipated impact to any municipality.

Explanation of Small Business Impact of Regulation:

Is a regulatory flexibility analysis required pursuant to C.G.S. 4-168a?

As there is no anticipated adverse impact to small business, no regulatory flexibility analysis is required.

Small Business Impact Statement

Prior to adopting a new section or amendment, Section 4-168a of the Connecticut General Statutes (C.G.S.) requires that each state agency consider the effect of such action on small businesses as defined in C.G.S. Section 4-168a. When such regulatory action may have an adverse effect on small businesses, C.G.S. Section 4-168a directs the agency to consider regulatory requirements that will minimize the adverse impacts on small businesses if the addition of such requirements (1) will not interfere with the intended objectives of the regulatory action and (2) will allow the new section or amendment to remain consistent with public health, safety and welfare.

State Agency submitting proposed regulations: Environmental Protection (DEP)

Subject matter of Regulation: Importation, Possession, Liberation of Wild Animals
RCSA 26-55-2 and 26-55-5

In accordance with C.G.S. Section 4-168a, staff analyzed the effect on small businesses of the proposed regulations and determined the following:

Check all appropriate boxes:

- The regulatory action will not have an effect on small businesses.
- The regulatory action will have an effect on small businesses, but will not have an adverse effect on such small businesses.
- The regulatory action may have an adverse effect on small businesses, and no alternative considered would be both as effective in achieving the purpose of the action and less burdensome to potentially effected small business. Alternatives considered include the following:
 - (1) The establishment of less stringent compliance or reporting requirements for small businesses;
 - (2) The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses;
 - (3) The consolidation or simplification of compliance or reporting requirements for small businesses;
 - (4) The establishment of performance standards for small businesses to replace design or operational standards required in the new section or amendment; and
 - (5) The exemption of small businesses from all or any part of the requirements contained in the new section or amendment.
- The regulatory action will have an adverse effect on small businesses that cannot be minimized in a manner that is consistent with public health, safety and welfare.

Has the State agency listed above notified the Department of Economic and Community Development of its intent to take the proposed action and completed the Agency Fiscal Estimate of Proposed Regulations?

The Department of Environmental Protection did not notify the Department of Economic and Community Development of its intent to take the proposed action because the action will not have an adverse impact on small businesses.

DSS ID #

AGENCY FISCAL ESTIMATE OF PROPOSED REGULATIONS

AGENCY SUBMITTING REGULATION Department of Social Services DATE 10/19/07

SUBJECT MATTER OF REGULATION Requirements for Payment of Rehabilitation Services for
Individuals under Age 21 with Behavioral Health Disorders REGULATION SECTION NO. 17b-262

STATUTORY AUTHORITY Sub-Sec (a) of Sec 4-168 CGS; 17b-262

OTHER AGENCIES AFFECTED _____

EFFECTIVE DATE USED IN COST ESTIMATE Fiscal Year 2008

ESTIMATE PREPARED BY Jennifer Pardus

QUESTIONS SHOULD BE ADDRESSED TO Lee Voghel TELEPHONE 424-5842

SUMMARY OF STATE COST AND REVENUE IMPACT OF PROPOSED REGULATION

Agency Department of Social Services Fund Affected _____

	First Year 2006	Second Year 2007	Full Operation 2007
Number of Positions	_____	_____	_____
Personal Services	_____	_____	_____
Other Expenses	_____	_____	_____
Equipment	_____	_____	_____
Grants (Medicaid)	_____	_____	_____
Total State Cost (Savings)	_____	_____	_____
Estimated Revenue Gain (Loss)	_____	_____	_____
Total Net State Cost (Savings)	<u>See Below</u>	<u>See Below</u>	<u>See Below</u>

EXPLANATION OF STATE IMPACT OF REGULATION:

The Department of Social Services, under section 17b-262 of the Connecticut General Statutes, intends to adopt regulations in accordance with the provisions of subsection 4-168 of the Connecticut General statutes. These regulations pertain to requirements for payment of rehabilitation services for individuals under age 21 with behavioral health disorders in the Medicaid program.

These regulations establish the requirements under which Providers who are enrolled in the Connecticut Medical Assistance Program are to receive payment for rehabilitation services for individuals under age 21 with behavioral health disorders. The proposed regulations establish three categories of rehabilitation services, establish the requirements under which a Provider may enroll in Medicaid, define reimbursement practices, define covered services, outline billing and payment methods, define rates, and reference necessary documentation and audit requirements.

Please refer to the attached regulations.

FINANCIAL IMPACT

Payment regulations are required for every area of Medicaid, and these proposed regulations appropriately formalize guidelines already followed by Rehabilitation Services Providers. Since these regulations pertain to procedures already in practice, and guidelines regarding billing practices were previously issued to Providers, there is no significant fiscal impact anticipated with the adoption of these policies. It is, however, possible that there could be some efficiencies realized, as these regulations guide Providers in a more prescriptive manner, and could serve to more proactively correct any inaccurate billing procedures currently occurring.

MUNICIPAL IMPACT: None.