

OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200
Hartford, CT 06106 ◊ (860) 240-0200
<http://www.cga.ct.gov/ofa>

sSB-496

AN ACT CONCERNING HOSPITAL UNCOMPENSATED CARE.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
UConn Health Ctr.	GF - Potential Revenue Gain	See Below	See Below
Social Services, Dept.	GF - Cost	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

Section 1 results in a potential revenue gain to the UConn Health Center (UCHC) annually beginning in FY 27. It allows any hospital, including UCHC, to participate in a financial assistance program established by the bill for patients who meet certain income and other criteria. Presumably, UCHC would only choose to participate if the program increased net patient revenue, and the bill's reimbursement from DSS offset the cost of participating in this program. Any revenue gain would depend on: (1) the number of qualifying patients who participate; and (2) how the program's changes in qualifying patient payments compare to the reimbursement UCHC would receive from DSS.

In the past 12 months, UConn Health has served at least 5,299 uninsured patients and 749 insured patients who met the bill's income

parameters.¹ On average, the uninsured patients who met the bill's income parameters owed \$810 out-of-pocket, and they ultimately paid 63% to 72% of that amount (i.e., \$227 to \$300 is left unpaid). The insured patients owed \$301, and they ultimately paid 69% to 81% of that amount (i.e., \$57 to \$93 left unpaid).

Section 2 results in a Medicaid cost to the Department of Social Services (DSS) associated with disproportionate share hospital payments (DSH). The bill requires DSS to make DSH payments to hospitals as compensation for participating in the hospital financial assistance program established by the bill, using criteria to be identified by DSS. The extent of the cost to DSS is unknown and will be based on participating hospitals, criteria developed, and relevant costs. For context, DSH payments must meet federal requirements in order for states to receive a 50% federal share and are subject to both hospital and state specific limits.

DSS may also incur increased administrative costs to the extent participating hospitals utilize the appeals process authorized by the bill.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the scope of allowable DSH payments.

¹ These numbers represent the number of insured and uninsured patients at UCHC who have applied for financial assistance in the past 12 months and otherwise meet the bill's eligibility parameters. These figures do not include patients who may be eligible to participate in the bill's financial assistance program due to participation in SNAP or WIC.