

OFFICE OF FISCAL ANALYSIS

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SB-342

AN ACT CONCERNING HEALTH COVERAGE. AMENDMENT

LCO No.: 4096

File Copy No.: 223

Senate Calendar No.: 178

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Office of Health Strategy	GF - Cost	600,000	None
Insurance Dept.	GF - Potential Revenue Gain	Minimal	Minimal

Note: GF=General Fund

Municipal Impact: None

Explanation

The amendment maintains the fiscal impacts in the underlying bill except for striking section 1 and 3 and their associated fiscal impacts.¹ The amendment also adds the following sections and results in the impacts below.

Section 4 requires the health care cabinet to conduct a study and submit a report, which results in a cost of \$600,000 in FY 27 to the Office of Health Strategy, which supports the cabinet. The health care cabinet does not possess the resources necessary to conduct such a study and

¹ There is an addendum filed on the fiscal note for the underlying bill, which quantifies the potential cost to the state employee and partnership plans regarding the prohibition of a carrier using software tools to automatically downcode or deny health insurance claims without being reviewed by a clinical peer. This impact applies to section 4 of the underlying bill, and section 5 of the amendment.

Primary Analyst: NN
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Reviewer: RW

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will incur consulting costs to meet the requirements of the bill.

Sections 5 - 6 result in a potential minimal revenue gain to the General Fund beginning in FY 27 to the extent additional fines or penalties are assessed for violations of the Connecticut Unfair Insurance Practices Act (CUIPA). The amendment makes downcoding or claim denial actions a violation of CUIPA. CUIPA fines can range from \$5,000 per violation up to a maximum of \$250,000 in aggregate penalties per entity in any six-month period.

Additionally, sections 1 - 2 make procedural changes that have no fiscal impact to the state or municipalities. They establish notice requirements for hospital-based, outpatient infusion centers.

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.