Governor Ned Lamont
Fact Sheet: 2025 Legislative Proposal

SENATE BILL 1251

An Act Implementing The Governor's Recommendations For Health And Human Services

The Current Situation

Implement the Governor's Budget recommendations related to health and human services.

Governor Lamont's Solution

In total, the initiatives will result in savings of $50.6 million in FY 2026 and $68.0 million in FY 2027 ($102.3 million in FY 2026 and $125.3 million in FY 2027 after factoring in the federal share).

Transfer the Driver Training Program from the Department of Aging and Disability Services to the Department of Motor Vehicles. The driver training program in the Department of Aging and Disability Services (ADS) provides free special equipment evaluation, driver training and license certification for individuals with physical disabilities who request to utilize special adaptive equipment to drive. To align road readiness driver testing with driver training activities, this bill transfers this program to the Department of Motor Vehicles (DMV). The Governor's budget transfers three positions and three modified vehicles along with associated program funding from ADS to DMV. The program's transfer will coincide with a complete evaluation of the best practices and methods to support individuals with unique driving needs. This addresses the current bifurcated nature of training and licensure, which can lead to an overly complex process for individuals and can require multiple contacts to obtain information and certification.

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Eliminate Cost of Living Adjustments under Certain Public Assistance Programs. Current statute provides recipients of State Administered General Assistance and State Supplement for the Aged, Blind and Disabled a state-funded cost of living adjustment on July 1 of each year. This bill maintains the existing assistance levels. It should be noted that Temporary Family Assistance is not impacted as benefits under that program are now indexed to the increases in the federal poverty level. Savings of $1.7 million in FY 2026 and $3.3 million in FY 2027 are anticipated.

Restructure One-Time Domestic Violence Benefit. Eliminate the one-time domestic violence benefit established pursuant to Public Act 21-78. The Department of Social Services (DSS) has encountered numerous operational and design challenges associated with determining eligibility and administering this one-time domestic violence benefit. Additionally, there was no funding added when the legislation was passed as it was expected to have a minimal fiscal impact. Since that time, however, costs have continued to climb with expenditures totaling $2.9 million in FY 2024 and projected costs of $4.0 million in FY 2025—resulting in significant deficiencies in DSS' State Administered General Assistance (SAGA) account. To address these challenges, the Governor's budget eliminates funding for this benefit under the SAGA account and restructures the program to support victims of domestic violence directly through the Connecticut Coalition Against Domestic Violence (CCADV). As part of this restructuring effort, the Governor's budget provides increased funding to CCADV of $1.5 million in both FY 2026 and FY 2027. This increase will allow CCADV to expand their domestic violence support and allow the state to more appropriately and efficiently administer domestic violence assistance by further utilizing CCADV's infrastructure and expertise in supporting residents experiencing domestic violence. Savings of $4.0 million in FY 2026 and FY 2027 are anticipated.

Eliminate Coverage of Weight Loss Medications for Obesity Only. Although Public Act 23-94 requires DSS to cover weight loss medications for individuals with severe obesity, funding for the costs of such drugs was not included in the enacted budget. With Medicaid costs soaring hundreds of millions beyond budgeted levels and given complications regarding the state's ability to receive supplemental rebates on the newer GLP-1 drugs such as Wegovy

and Zepbound (for non-diabetic members) under the current BMI criteria, DSS is moving forward with coverage of nutritional counseling in early 2025 and exploring additional programs to assist with weight loss. Given the significant cost of the newer GLP-1 drugs and the fact that they are generally lifelong drugs that must be taken continuously to maintain weight loss, this bill removes this coverage when prescribed only for weight loss. The bill maintains coverage of weight loss drugs for Medicaid members with type 2 diabetes, as well as when prescribed for the treatment of comorbid conditions, subject to prior authorization and step therapy when clinically appropriate. Given the nature of these medications and the interplay with dietary and nutritional counseling, as well as budgetary considerations, the bill provides for a step therapy period of up to 180 days, when applicable, to support additional agency flexibility in covering certain medications in this developing area. The language also aligns with the recent expansion of coverage of Wegovy when prescribed to reduce the risk of a major adverse cardiac event. Recognizing that several payers have been forced to either stop or drastically modify the clinical criteria for GLP-1s due to the high cost of these drugs, it is essential that DSS move forward with a thoughtful approach that takes into account appropriate clinical guidelines and fiscal accountability and does not risk putting the department in a position of having to reverse an expansion due to lack of funding. Savings of $28.8 million in FY 2026 and $16.9 million in FY 2027 ($72.0 million in FY 2026 and $42.1 million in FY 2027 after factoring in the federal share), with savings figures higher in FY 2026 due to the six-month lag in receipt of federal rebates.

Note: These savings figures reflect what was assumed in the Governor's budget. DSS' updated estimate, after factoring in savings from averted complications related to obesity such as high blood, pressure, coronary issues, etc., projects costs of over $65.0 million in FY 2026 and $42.4 million in FY 2027, which is more than double what had been assumed in the Governor's baseline budget.

Remove Rate Increases for Residential Care Homes and Rated Housing Facilities. Under current statute, DSS is required to annually determine rates for residential care homes and rated housing facilities. Per DSS' regulations, rate increases are based on actual cost reports submitted by facilities,

barring any legislation to remove rate increases for a particular fiscal year. This bill eliminates these rate increases over the biennium and, for rated housing facilities that choose not to submit annual cost reports, maintains the minimum flat rate at current levels. Savings of $1.8 million in FY 2026 and $4.8 million in FY 2027 are anticipated.

Remove Rate Increases for Intermediate Care Facilities. To comply with current statute, the baseline budget includes an inflationary adjustment in FY 2027 for intermediate care facilities for individuals with intellectual disabilities. DSS is required to provide inflationary increases barring any legislation to remove rate increases for a particular fiscal year. This bill eliminates this increase in FY 2027. Note: Pursuant to Public Act 23-204, no inflationary factor is to be applied in FY 2026, the final year of the rebasing of these rates. Savings of $1.0 million in FY 2027 ($2.2 million in FY 2027 after factoring in the federal share) are anticipated.

Remove Rate Increases for Nursing Homes. To comply with current statute, the baseline budget includes an inflationary adjustment in each year of the biennium for nursing homes. DSS is required to provide these inflationary increases barring any legislation to remove rate increases for a particular fiscal year. This bill eliminates these increases over the biennium. Savings of $14.0 million in FY 2026 and $36.5 million in FY 2027 ($30.3 million in FY 2026 and $79.0 million in FY 2027 after factoring in the federal share) are anticipated.

Restructure Cost Sharing Under State-Funded Home Care Program. The state-funded home care program helps older adults who are frail enough to require nursing home care remain at home and avoid being unnecessarily institutionalized with participants currently required to pay a flat percentage of their monthly care costs. The required cost share has varied over the years – in FY 2016, it was increased from 7% to 9%, but was reduced to 4.5% in FY 2022, and then further reduced to 3% in FY 2023. This bill modifies the current structure by increasing the cost share from 3% to 5% but instituting a monthly cap of $175. This change will encourage those with higher needs to take advantage of additional help without incurring more costs while also resulting

in modest cost savings to the state. Savings of $400,000 in FY 2026 and $500,000 in FY 2027 are anticipated.

Maintain MED-Connect Income and Asset Limits at April 2025 Levels. Public Act 24-81 expanded the Medicaid for Employees with Disabilities Program (MED-Connect), which provides Medicaid coverage to employees with disabilities. Specifically, it required DSS to (1) increase the income limits from $75,000 to $85,000 and double the asset limit (to $20,000 for individuals and $30,000 for couples) effective April 1, 2025, and (2) phase in the elimination of income and asset limits over four years beginning July 1, 2026, by annually increasing the income limit by $10,000 and the asset limit by $10,000 for individuals and $15,000 for couples, with all income and asset limits to be lifted effective July 1, 2029. When fully annualized in FY 2030, this expansion in coverage is projected to result in state costs of over $8.3 million ($16.6 million after factoring in the federal share). Given the significant costs, this bill maintains the income and asset limits at those levels that will be in place effective April 1, 2025. Savings of $1.0 million in FY 2027 ($2.1 million after factoring in the federal share) are anticipated.

Revise Frequency of Statewide Health Care Facility Utilization Study. The Office of Health Strategy (OHS) is currently required to conduct a statewide health care facility utilization study that assesses the availability and utilization of health care services across the state every two years. OHS is also required to complete a statewide inventory of all health care facilities and services for the purposes of conducting this study every two years. Recognizing the resources required to complete this work, the fact that the most recent report was just issued in June 2024, and the landscape of health care facilities does not change drastically year-to-year, this bill changes the frequency of this work from every two years to every five years with the next report to be issued in June 2029. This change will not diminish the usefulness of the report, which remains an important tool for policymakers and those involved in the Certificate of Need (CON) process.

Consolidate the Office of the Behavioral Health Advocate under the Office of the Healthcare Advocate. To promote more integrated and coordinated

efforts across both medical and behavioral health needs, this bill transfers the new Behavioral Health Advocate to the Office of the Healthcare Advocate.

Increase Modification Threshold under the Tobacco and Health Trust Fund. Public Act 00-216 added provisions allowing for modifications to the amount of funds to be disbursed under the Tobacco and Health Trust Fund without the need for legislative approval, establishing the cap at $50,000 or 10% of the authorized amount, whichever is less. Recognizing that this amount has been unchanged for nearly 25 years, this bill increases the cap to $175,000 and removes the percentage cap. Since it is hard to predict the responses to requests for proposals for grant funding, this change will provide a modest amount of flexibility to adjust between categories to ensure the highest scoring and most impactful projects are awarded funding, while broadly reflecting the approved allocation plan.