



# House of Representatives

General Assembly

**File No. 53**

January Session, 2025

Substitute House Bill No. 6436

*House of Representatives, March 6, 2025*

The Committee on Insurance and Real Estate reported through REP. WOOD of the 29th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## **AN ACT CONCERNING REVISIONS TO THE HEALTH INSURANCE STATUTES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (b) of section 38a-21 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective October*  
3 *1, 2025*):

4 (b) (1) There is established within the Insurance Department a health  
5 benefit review program for the review and evaluation of any mandated  
6 health benefit that is requested by the joint standing committee of the  
7 General Assembly having cognizance of matters relating to insurance.  
8 Such program shall be funded by the Insurance Fund established under  
9 section 38a-52a. The commissioner shall be authorized to make  
10 assessments in a manner consistent with the provisions of chapter 698  
11 for the costs of carrying out the requirements of this section. Such  
12 assessments shall be in addition to any other taxes, fees and moneys  
13 otherwise payable to the state. The commissioner shall deposit all  
14 payments made under this section with the State Treasurer. The moneys

15 deposited shall be credited to the Insurance Fund and shall be accounted  
16 for as expenses recovered from insurance companies. Such moneys shall  
17 be expended by the commissioner to carry out the provisions of this  
18 section and section 2 of public act 09-179.

19 (2) The commissioner [shall contract with The University of  
20 Connecticut Center for Public Health and Health Policy to conduct] may  
21 engage the services of any actuary, actuarial firm, quality improvement  
22 clearinghouse, health policy research organization or any other  
23 independent expert as the commissioner deems necessary to assist the  
24 commissioner in the review and evaluation of any mandated health  
25 benefit review requested pursuant to subsection (c) of this section. [The  
26 director of said center may engage the services of an actuary, quality  
27 improvement clearinghouse, health policy research organization or any  
28 other independent expert, and may engage or consult with any dean,  
29 faculty or other personnel said director deems appropriate within The  
30 University of Connecticut schools and colleges, including, but not  
31 limited to, The University of Connecticut (A) School of Business, (B)  
32 School of Dental Medicine, (C) School of Law, (D) School of Medicine,  
33 and (E) School of Pharmacy.]

34 Sec. 2. Section 38a-479ppp of the general statutes is repealed and the  
35 following is substituted in lieu thereof (*Effective from passage*):

36 (a) Not later than [February 1, 2025] March 1, 2026, and annually  
37 thereafter, each pharmacy benefits manager shall file a report with the  
38 commissioner for the immediately preceding calendar year. The report  
39 shall contain the following information for health carriers that  
40 delivered, issued for delivery, renewed, amended or continued health  
41 care plans that included a pharmacy benefit managed by the pharmacy  
42 benefits manager during such calendar year:

43 (1) The aggregate dollar amount of all rebates concerning drug  
44 formularies used by such health carriers that such manager collected  
45 from pharmaceutical manufacturers that manufactured outpatient  
46 prescription drugs that (A) were covered by such health carriers during  
47 such calendar year, and (B) are attributable to patient utilization of such

48 drugs during such calendar year; and

49 (2) The aggregate dollar amount of all rebates, excluding any portion  
50 of the rebates received by such health carriers, concerning drug  
51 formularies that such manager collected from pharmaceutical  
52 manufacturers that manufactured outpatient prescription drugs that (A)  
53 were covered by such health carriers during such calendar year, and (B)  
54 are attributable to patient utilization of such drugs by covered persons  
55 under such health care plans during such calendar year.

56 (b) The commissioner shall establish a standardized form for  
57 reporting information pursuant to subsection (a) of this section after  
58 consultation with pharmacy benefits managers. The form shall be  
59 designed to minimize the administrative burden and cost of reporting  
60 on the department and pharmacy benefits managers.

61 (c) All information submitted to the commissioner pursuant to  
62 subsection (a) of this section shall be exempt from disclosure under the  
63 Freedom of Information Act, as defined in section 1-200, except to the  
64 extent such information is included on an aggregated basis in the report  
65 required by subsection (d) of this section. The commissioner shall not  
66 disclose information submitted pursuant to subdivision (1) of  
67 subsection (a) of this section, or information submitted pursuant to  
68 subdivision (2) of said subsection in a manner that (1) is likely to  
69 compromise the financial, competitive or proprietary nature of such  
70 information, or (2) would enable a third party to identify a health care  
71 plan, health carrier, pharmacy benefits manager, pharmaceutical  
72 manufacturer, or the value of a rebate provided for a particular  
73 outpatient prescription drug or therapeutic class of outpatient  
74 prescription drugs.

75 (d) Not later than [March 1, 2025] April 1, 2026, and annually  
76 thereafter, the commissioner shall submit a report, in accordance with  
77 section 11-4a, to the joint standing committee of the General Assembly  
78 having cognizance of matters relating to insurance. The report shall  
79 contain (1) an aggregation of the information submitted to the  
80 commissioner pursuant to subsection (a) of this section for the

81 immediately preceding calendar year, and (2) such other information as  
82 the commissioner, in the commissioner's discretion, deems relevant for  
83 the purposes of this section. Not later than ten days prior to the  
84 submission of the annual report pursuant to the provisions of this  
85 subsection, the commissioner shall provide each pharmacy benefits  
86 manager and any third party affected by submission of such report  
87 required by this subsection with a written notice describing the content  
88 of the report.

89 (e) The commissioner may impose a penalty of not more than seven  
90 thousand five hundred dollars on a pharmacy benefits manager for each  
91 violation of this section.

92 (f) The commissioner may adopt regulations, in accordance with the  
93 provisions of chapter 54, to implement the provisions of this section.

94 Sec. 3. Subsection (c) of section 38a-492w of the general statutes is  
95 repealed and the following is substituted in lieu thereof (*Effective from*  
96 *passage*):

97 (c) The Insurance Commissioner [shall] may adopt regulations, in  
98 accordance with chapter 54, to implement the provisions of this section.

99 Sec. 4. Subsection (c) of section 38a-518w of the general statutes is  
100 repealed and the following is substituted in lieu thereof (*Effective from*  
101 *passage*):

102 (c) The Insurance Commissioner [shall] may adopt regulations, in  
103 accordance with chapter 54, to implement the provisions of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2025	38a-21(b)
Sec. 2	from passage	38a-479ppp
Sec. 3	from passage	38a-492w(c)
Sec. 4	from passage	38a-518w(c)

***Statement of Legislative Commissioners:***

In Section 1(b)(2), "said commissioner" was changed to "the commissioner", for accuracy.

**INS**      *Joint Favorable Subst. -LCO*

*The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do 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.*

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### **OFA Fiscal Note**

**State Impact:** None

**Municipal Impact:** None

There is no fiscal impact to the state or municipalities anticipated from the bill. Section 1 allows, instead of requires, the Insurance Department to engage third-party services for the review of mandated health benefits (including proposals), and it is anticipated the department will continue to seek such services. Section 2 delays until FY 26 requirements regarding annual reporting concerning pharmacy benefits manager (PBM) rebates, which has no fiscal impact because the Insurance Department will use existing resources to complete its report. The bill makes other procedural changes which have no fiscal impact.

### **The Out Years**

**State Impact:** None

**Municipal Impact:** None

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**OLR Bill Analysis****sHB 6436*****AN ACT CONCERNING REVISIONS TO THE HEALTH INSURANCE STATUTES.*****SUMMARY**

This bill makes three unrelated changes to the insurance statutes.

First, it eliminates a requirement that the insurance commissioner contract with the UConn Center for Public Health and Health Policy (which no longer exists) to conduct reviews of mandated health benefits upon request of the Insurance and Real Estate Committee. Instead, it allows him to contract with any actuary, actuarial firm, quality improvement clearinghouse, health policy research organization, or other independent expert necessary to conduct the reviews. By law, the reviews evaluate the social and financial impacts of the health benefits.

Next, the bill delays the annual due date for pharmacy benefit managers (PBMs) to report prescription drug rebate information to the insurance commissioner by one month, from February 1 to March 1. It also delays the annual due date for the commissioner to report to the Insurance and Real Estate Committee on the PBMs' rebate reports, from March 1 to April 1.

Lastly, the bill allows, rather than requires as under current law, the insurance commissioner to adopt regulations to implement health insurance requirements for medically necessary wheelchair repairs and replacements. By law, an insurer cannot require a new prescription or prior authorization for the medically necessary repair or replacement of a complex rehabilitation technology wheelchair unless the original prescription is more than five years old.

EFFECTIVE DATE: Upon passage, except for the health benefit

review program provision, which is effective October 1, 2025.

**COMMITTEE ACTION**

Insurance and Real Estate Committee

Joint Favorable

Yea     12     Nay     1     (02/20/2025)