



General Assembly  
January Session, 2025

***Substitute Bill No. 6870***



***AN ACT ADDRESSING PATIENTS' PRESCRIPTION DRUG COSTS.***

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

1 Section 1. (*Effective July 1, 2025*) For the purposes of this section and  
2 sections 2 to 10, inclusive, of this act, unless the context otherwise  
3 requires:

4 (1) "Canadian supplier" means a manufacturer or wholesale drug  
5 distributor that is licensed or permitted under applicable Canadian law  
6 to manufacture or distribute prescription drugs;

7 (2) "Canadian prescription drug importation program" or "program"  
8 means a program under which the state would seek federal approval to  
9 import prescription drugs from Canada that have the highest potential  
10 for cost savings in the state;

11 (3) "Department" means the Department of Consumer Protection;

12 (4) "Drug" means an article that is (A) recognized in the official United  
13 States Pharmacopoeia, official Homeopathic Pharmacopoeia of the  
14 United States or official National Formulary, or any supplement thereto,  
15 (B) intended for use in the diagnosis, cure, mitigation, treatment or  
16 prevention of disease in humans, (C) not food and intended to affect the  
17 structure or any function of the human body, and (D) not a device and  
18 intended for use as a component of any article specified in

19 subparagraphs (A) to (C), inclusive, of this subdivision;

20 (5) "Drug Quality and Security Act" means the federal Drug Quality  
21 and Security Act, 21 USC 351, et seq., as amended from time to time;

22 (6) "Food, Drug and Cosmetic Act" means the federal Food, Drug and  
23 Cosmetic Act, 21 USC 301, et seq., as amended by the Drug Quality and  
24 Security Act, as both may be amended from time to time;

25 (7) "Qualifying laboratory" has the same meaning as provided in 21  
26 CFR 251.2;

27 (8) "Laboratory testing" means a quantitative and qualitative analysis  
28 of a drug consistent with the applicable provisions of the official United  
29 States Pharmacopoeia;

30 (9) "Participating Canadian supplier" means a Canadian supplier that  
31 is exporting prescription drugs, in the manufacturer's original  
32 container, to a participating wholesaler for distribution in this state  
33 under the program;

34 (10) "Participating wholesaler" means a wholesaler that is (A)  
35 designated by the Department of Consumer Protection to distribute  
36 prescription drugs in the manufacturer's original container, obtained  
37 from a participating Canadian supplier, and (B) participating in the  
38 program;

39 (11) "Recall" means a person's removal or correction of a marketed  
40 product that the department determines is in violation of this section,  
41 but "recall" does not include a market withdrawal or a stock recovery,  
42 as such terms are defined in 21 CFR 7.3;

43 (12) "Relabeler" has the same meaning as provided in 21 CFR 207.1;

44 (13) "Repacker" has the same meaning as provided in 21 CFR 207.1;

45 (14) "Track-and-trace" means the product tracing process for the  
46 components of the pharmaceutical distribution supply chain as

47 described in Title II of the Drug Quality and Security Act; and

48 (15) "Wholesaler" means a wholesaler, as defined in section 21a-70 of  
49 the general statutes, that has received a certificate of registration from  
50 the Commissioner of Consumer Protection pursuant to said section.

51 Sec. 2. (*Effective July 1, 2025*) The Commissioner of Consumer  
52 Protection shall hire, within available resources, a consultant to study  
53 the feasibility of establishing a Canadian prescription drug importation  
54 program to reduce prescription drug costs in the state. Not later than  
55 October 1, 2027, the Commissioner shall file a report, in accordance with  
56 the provisions of section 11-4a of the general statutes, with the joint  
57 standing committees of the General Assembly having cognizance of  
58 matters relating to appropriations and the budgets of state agencies,  
59 general law and human services and the Office of Policy and  
60 Management on the results of the feasibility study.

61 Sec. 3. (*Effective October 1, 2027*) (a) If after completion of the study  
62 described in section 2 of this act, the Commissioner of Consumer  
63 Protection, in consultation with the Secretary of the Office of Policy and  
64 Management, determines a Canadian prescription drug importation  
65 program is feasible, the Commissioner of Consumer Protection may  
66 submit a request to the federal Food and Drug Administration seeking  
67 approval for the program under Section 804 of the federal Food, Drug  
68 and Cosmetic Act, 21 USC 384(b) to 21 USC 384(h), inclusive, as  
69 amended from time to time. If submitted, such request shall, at a  
70 minimum:

71 (1) Describe the state's plans for operating the program and describe  
72 any opportunities to coordinate or operate the program in coordination  
73 with other states;

74 (2) Demonstrate that any prescription drug that is imported and  
75 distributed in this state under the program would:

76 (A) Meet all applicable federal and state standards for safety and  
77 effectiveness; and

78 (B) Comply with all federal tracing procedures; and

79 (3) State the estimated costs of implementing the program.

80 (b) If the federal Food and Drug Administration approves the  
81 request, the Commissioner of Consumer Protection shall:

82 (1) Submit to the Secretary of the Office of Policy and Management,  
83 and the Commissioners of Social Services and Health Strategy, a notice  
84 disclosing that the federal Food and Drug Administration approved  
85 such request; and

86 (2) Submit to the joint standing committees of the General Assembly  
87 having cognizance of matters relating to appropriations and the budgets  
88 of state agencies, general law, human services and public health a notice  
89 disclosing that the federal Food and Drug Administration approved  
90 such request.

91 (c) The Commissioner of Consumer Protection shall not operate the  
92 program unless the federal Food and Drug Administration approves the  
93 request. Notwithstanding the foregoing, the department may expend  
94 resources in advance of such approval to ensure efficient  
95 implementation.

96 Sec. 4. (*Effective October 1, 2027*) If the Canadian prescription drug  
97 importation program is established, each participating wholesaler may  
98 import and distribute a prescription drug in this state from a  
99 participating Canadian supplier under the program if:

100 (1) Such drug meets the federal Food and Drug Administration's  
101 standards concerning drug safety, effectiveness, misbranding and  
102 adulteration;

103 (2) Importing such drug would not violate federal patent laws; and

104 (3) Such drug is not:

105 (A) A controlled substance, as defined in 21 USC 802, as amended

106 from time to time;

107 (B) A biological product, as defined in 42 USC 262, as amended from  
108 time to time;

109 (C) An infused drug;

110 (D) An intravenously injected drug;

111 (E) A drug that is inhaled during surgery; or

112 (F) A drug that is a parenteral drug, the importation of which is  
113 determined by the federal Secretary of Health and Human Services to  
114 pose a threat to the public health.

115 Sec. 5. (*Effective October 1, 2027*) If a Canadian prescription drug  
116 importation program is established, participating wholesalers may,  
117 subject to the provisions of sections 1 to 4, inclusive, and sections 6 to  
118 10, inclusive, of this act, import and distribute drugs in this state from a  
119 participating Canadian supplier under the program to:

120 (1) A pharmacy or institutional pharmacy, as defined in section 20-  
121 571 of the general statutes; and

122 (2) A qualifying laboratory.

123 Sec. 6. (*Effective October 1, 2027*) If a Canadian prescription drug  
124 importation program is established, the Commissioner of Consumer  
125 Protection shall require that each participating Canadian supplier and  
126 participating wholesaler (1) comply with all applicable track-and-trace  
127 requirements, and shall not distribute, dispense or sell outside of this  
128 state any prescription drug that is imported into this state under the  
129 program, and (2) make available to the commissioner all track-and-trace  
130 records not later than forty-eight hours after the commissioner requests  
131 such records.

132 Sec. 7. (*Effective October 1, 2027*) (a) A participating wholesaler in any  
133 approved Canadian prescription drug importation program shall

134 ensure the safety and quality of all drugs that may be imported and  
135 distributed in this state under the program. The participating  
136 wholesaler shall, if such program is established:

137 (1) For each initial shipment of a drug that is imported into this state  
138 by a participating wholesaler, ensure that a qualifying laboratory  
139 engaged by the participating wholesaler tests a statistically valid sample  
140 size for each batch of each drug in such shipment for authenticity and  
141 degradation in a manner that is consistent with the Food, Drug and  
142 Cosmetic Act;

143 (2) For each shipment of a drug that is imported into this state by a  
144 participating wholesaler and has been sampled and tested pursuant to  
145 subdivision (1) of this subsection, ensure that a qualifying laboratory  
146 engaged by the participating wholesaler tests a statistically valid sample  
147 of such shipment for authenticity and degradation in a manner that is  
148 consistent with the Food, Drug and Cosmetic Act;

149 (3) Only import drugs into this state that are (A) approved for  
150 marketing in the United States, (B) not adulterated or misbranded, and  
151 (C) meet all of the labeling requirements under 21 USC 352, as amended  
152 from time to time;

153 (4) Maintain qualifying laboratory records, including, but not limited  
154 to, complete data derived from all tests necessary to ensure that each  
155 drug imported into this state under any approved Canadian  
156 prescription drug importation program is in compliance with the  
157 requirements of this section; and

158 (5) Maintain documentation demonstrating that the testing required  
159 by this section was conducted at a qualifying laboratory in accordance  
160 with the Food, Drug and Cosmetic Act and all other applicable federal  
161 and state laws and regulations concerning qualifying laboratory  
162 qualifications.

163 (b) The participating wholesaler shall maintain all information and  
164 documentation pursuant to this section for a period of not less than three

165 years from the date of submission of such information and  
166 documentation to the participating wholesaler by a qualifying  
167 laboratory.

168 (c) Each participating wholesaler shall maintain all of the following  
169 information for each drug that such participating wholesaler imports  
170 and distributes in this state under the program, and submit such  
171 information to the Commissioner of Consumer Protection upon request  
172 by the commissioner:

173 (1) The name and quantity of the active ingredient of such drug;

174 (2) A description of the dosage form of such drug;

175 (3) The date on which such participating wholesaler received such  
176 drug;

177 (4) The quantity of such drug that such participating wholesaler  
178 received;

179 (5) The point of origin and destination of such drug;

180 (6) The price paid by such participating wholesaler for such drug;

181 (7) A report regarding any drug that fails qualifying laboratory  
182 testing; and

183 (8) Such additional information and documentation that the  
184 commissioner deems necessary to ensure the protection of the public  
185 health.

186 (d) The Commissioner of Consumer Protection shall require each  
187 participating Canadian supplier in any approved Canadian prescription  
188 drug importation program to maintain the following information and  
189 documentation and, upon request by the commissioner, submit such  
190 information and documentation to the commissioner for each drug that  
191 such participating Canadian supplier exports into this state under the  
192 program:

- 193 (1) The original source of such drug, including, but not limited to:
- 194 (A) The name of the manufacturer of such drug;
- 195 (B) The date on which such drug was manufactured; and
- 196 (C) The location where such drug was manufactured;
- 197 (2) The date on which such drug was shipped;
- 198 (3) The quantity of such drug that was shipped;
- 199 (4) The quantity of each lot of such drug originally received and the
- 200 source of such lot;
- 201 (5) The lot or control number and the batch number assigned to such
- 202 drug by the manufacturer; and
- 203 (6) Such additional information and documentation that the
- 204 Commissioner of Consumer Protection deems necessary to ensure the
- 205 protection of the public health.

206 Sec. 8. (*Effective October 1, 2027*) (a) If the Commissioner of Consumer

207 Protection determines that public health, safety or welfare requires

208 emergency action, the commissioner may order a participating

209 Canadian supplier, participating wholesaler, relabeler, repacker and

210 qualifying laboratory to cease and desist from actions specified in the

211 order that create the need for such emergency action pending

212 administrative proceedings. Such cease and desist order shall be (1) in

213 writing; (2) signed by the Commissioner of Consumer Protection; and

214 (3) effective upon delivery to the respondent. An administrative

215 proceeding conducted in accordance with chapter 54 of the general

216 statutes shall be promptly instituted following a cease and desist order.

217 The commissioner may impose a civil penalty, in an amount not to

218 exceed ten thousand dollars, after a hearing conducted pursuant to

219 chapter 54 of the general statutes.

220 (b) The commissioner may require the recall, embargo or destruction,



221 pursuant to section 21a-96 of the general statutes, of any drug that was  
222 imported and distributed under the program and has been identified as  
223 adulterated, within the meaning of section 21a-105 of the general  
224 statutes, or misbranded.

225 (c) In the event of a cease and desist, recall, embargo or destruction  
226 order, the person adversely impacted by such order shall provide  
227 written notice to all other businesses participating in the program,  
228 informing them of the order.

229 Sec. 9. (*Effective October 1, 2027*) If a Canadian prescription drug  
230 importation program is established, the Commissioner of Consumer  
231 Protection may adopt regulations in accordance with the provisions of  
232 chapter 54 of the general statutes to implement the provisions of sections  
233 1 to 8, inclusive, and section 10 of this act.

234 Sec. 10. (*Effective October 1, 2027*) Not later than one hundred eighty  
235 days after the first importation of any Canadian prescription drug under  
236 the importation program begins, and biannually thereafter, the  
237 Commissioner of Consumer Protection shall submit a report, in  
238 accordance with the provisions of section 11-4a of the general statutes,  
239 to the joint standing committees of the General Assembly having  
240 cognizance of matters relating to appropriations and the budgets of state  
241 agencies, general law, human services and public health. Such report  
242 shall describe (1) the operation of the program, if established, and (2)  
243 any violation of sections 1 to 9, inclusive, of this act that resulted in any  
244 action taken by the commissioner pursuant to section 8 of this act and  
245 the status of the investigation into such violation.

246 Sec. 11. (NEW) (*Effective July 1, 2025*) For the purposes of this section  
247 and sections 12 to 14, inclusive, of this act:

248 (1) "Biological product" has the same meaning as provided in section  
249 20-619 of the general statutes;

250 (2) "Brand-name drug" means a drug that is produced or distributed  
251 in accordance with an original new drug application approved under 21

252 USC 355, as amended from time to time, but does not include an  
253 authorized generic drug as defined in 42 CFR 447.502, as amended from  
254 time to time;

255 (3) "Commissioner" means the Commissioner of Revenue Services;

256 (4) "Consumer price index" means the consumer price index, annual  
257 average, for all urban consumers: United States city average, all items,  
258 published by the United States Department of Labor, Bureau of Labor  
259 Statistics, or its successor, or, if the index is discontinued, an equivalent  
260 index published by a federal authority, or, if no such index is published,  
261 a comparable index published by the United States Department of  
262 Labor, Bureau of Labor Statistics;

263 (5) "Generic drug" means (A) a prescription drug product that is  
264 marketed or distributed in accordance with an abbreviated new drug  
265 application approved under 21 USC 355, as amended from time to time,  
266 (B) an authorized generic drug as defined in 42 CFR 447.502, as  
267 amended from time to time, or (C) a drug that entered the market before  
268 calendar year 1962 that was not originally marketed under a new  
269 prescription drug product application;

270 (6) "Identified prescription drug" means (A) a brand-name drug or  
271 biological product for which the patent has expired for at least twenty-  
272 four months, or (B) a generic drug or interchangeable biological  
273 product;

274 (7) "Interchangeable biological product" has the same meaning as  
275 provided in section 20-619 of the general statutes;

276 (8) "Person" has the same meaning as provided in section 12-1 of the  
277 general statutes;

278 (9) "Pharmaceutical manufacturer" means a person that  
279 manufactures a prescription drug and sells, directly or through another  
280 person, the prescription drug for distribution in this state;

281 (10) "Prescription drug" means a legend drug, as defined in section

282 20-571 of the general statutes, approved by the federal Food and Drug  
283 Administration, or any successor agency, and prescribed by a health  
284 care provider to an individual in this state;

285 (11) "Reference price" means the wholesale acquisition cost, as  
286 defined in 42 USC 1395w-3a, as amended from time to time, of (A) a  
287 brand-name drug or biological product (i) on January 1, 2025, if the  
288 patent for the brand-name drug or biological product expired on or  
289 before said date, or (ii) if the patent for the brand-name drug or  
290 biological product expires after January 1, 2025, on the date the patent  
291 for such brand-name drug or biological product expires, or (B) a generic  
292 drug or interchangeable biological product (i) on January 1, 2025, or (ii)  
293 if the generic drug or interchangeable biological product is first  
294 commercially marketed in the United States after January 1, 2025, on the  
295 date such generic drug or interchangeable biological product is first  
296 commercially marketed in the United States; and

297 (12) "Wholesale distributor" means a person, including, but not  
298 limited to, a repacker, own-label distributor, private-label distributor or  
299 independent wholesale drug trader, engaged in the wholesale  
300 distribution of prescription drugs.

301 Sec. 12. (NEW) (*Effective July 1, 2025*) (a) (1) Notwithstanding any  
302 provision of the general statutes and except as provided in subdivision  
303 (2) of this subsection, no pharmaceutical manufacturer or wholesale  
304 distributor shall, on or after January 1, 2026, sell an identified  
305 prescription drug in this state at a price that exceeds the reference price  
306 for the identified prescription drug, adjusted for any increase in the  
307 consumer price index.

308 (2) A pharmaceutical manufacturer or wholesale distributor may, on  
309 or after January 1, 2026, sell an identified prescription drug in this state  
310 at a price that exceeds the reference price for the identified prescription  
311 drug, adjusted for any increase in the consumer price index, if the  
312 federal Secretary of Health and Human Services determines, pursuant  
313 to 21 USC 356e, as amended from time to time, that such identified

314 prescription drug is in shortage in the United States.

315 (b) (1) Except as provided in subdivision (2) of this subsection, any  
316 pharmaceutical manufacturer or wholesale distributor that violates the  
317 provisions of subsection (a) of this section shall be liable to this state for  
318 a civil penalty. Such civil penalty shall be imposed, calculated and  
319 collected on a calendar year basis by the commissioner, and the amount  
320 of such civil penalty for a calendar year shall be equal to eighty per cent  
321 of the difference between:

322 (A) The revenue that the pharmaceutical manufacturer or wholesale  
323 distributor earned from all sales of the identified prescription drug in  
324 this state during the calendar year; and

325 (B) The revenue that the pharmaceutical manufacturer or wholesale  
326 distributor would have earned from all sales of the identified  
327 prescription drug in this state during the calendar year if the  
328 pharmaceutical manufacturer or wholesale distributor had sold such  
329 identified prescription drug at a price that did not exceed the reference  
330 price for such identified prescription drug, as such reference price is  
331 adjusted for any increase in the consumer price index.

332 (2) No pharmaceutical manufacturer or wholesale distributor of an  
333 identified prescription drug shall be liable to this state for the civil  
334 penalty imposed under subdivision (1) of this subsection unless the  
335 pharmaceutical manufacturer or wholesale distributor made at least  
336 two hundred fifty thousand dollars in total annual sales in this state for  
337 the calendar year for which such civil penalty would otherwise be  
338 imposed.

339 (c) (1) (A) For calendar years commencing on or after January 1, 2026,  
340 each pharmaceutical manufacturer or wholesale distributor that  
341 violated the provisions of subsection (a) of this section during any  
342 calendar year shall, not later than the first day of March immediately  
343 following the end of such calendar year:

344 (i) Pay to the commissioner the civil penalty imposed under

345 subsection (b) of this section for such calendar year; and

346 (ii) File with the commissioner a statement for such calendar year in  
347 a form and manner, and containing all information, prescribed by the  
348 commissioner.

349 (B) A pharmaceutical manufacturer or wholesale distributor that is  
350 required to file the statement and pay the civil penalty pursuant to  
351 subparagraph (A) of this subdivision shall electronically file such  
352 statement and make such payment by electronic funds transfer in the  
353 manner provided by chapter 228g of the general statutes, irrespective of  
354 whether the pharmaceutical manufacturer or wholesale distributor  
355 would have otherwise been required to electronically file such  
356 statement or make such payment by electronic funds transfer under  
357 chapter 228g of the general statutes.

358 (2) If no statement is filed pursuant to subdivision (1) of this  
359 subsection, the commissioner may make such statement at any time  
360 thereafter, according to the best obtainable information and the  
361 prescribed form.

362 (d) The commissioner may examine the records of any  
363 pharmaceutical manufacturer or wholesale distributor that is subject to  
364 the civil penalty imposed under subsection (b) of this section as the  
365 commissioner deems necessary. If the commissioner determines from  
366 such examination that the pharmaceutical manufacturer or wholesale  
367 distributor failed to pay the full amount of such civil penalty, the  
368 commissioner shall bill such pharmaceutical manufacturer or wholesale  
369 distributor for the full amount of such civil penalty.

370 (e) (1) The commissioner may require each pharmaceutical  
371 manufacturer or wholesale distributor that is subject to the civil penalty  
372 imposed under subsection (b) of this section to keep such records as the  
373 commissioner may prescribe, and produce books, papers, documents  
374 and other data, to provide or secure information pertinent to the  
375 enforcement and collection of such civil penalty.

376       (2) The commissioner, or the commissioner's authorized  
377 representative, may examine the books, papers, records and equipment  
378 of any person who is subject to the provisions of this section and may  
379 investigate the character of the business of such person to verify the  
380 accuracy of any statement made or, if no statement is made by such  
381 person, to ascertain and determine the amount of the civil penalty due  
382 under subsection (b) of this section.

383       (f) Any pharmaceutical manufacturer or wholesale distributor that is  
384 subject to the civil penalty imposed under subsection (b) of this section  
385 and aggrieved by any action of the commissioner under subdivision (2)  
386 of subsection (c) of this section or subsection (d) of this section may  
387 apply to the commissioner, in writing and not later than sixty days after  
388 the notice of such action is delivered or mailed to such pharmaceutical  
389 manufacturer or wholesale distributor, for a hearing, setting forth the  
390 reasons why such hearing should be granted and if such pharmaceutical  
391 manufacturer or wholesale distributor believes that such  
392 pharmaceutical manufacturer or wholesale distributor is not liable for  
393 such civil penalty or the full amount of such civil penalty, the grounds  
394 for such belief and the amount by which such pharmaceutical  
395 manufacturer or wholesale distributor believes such civil penalty  
396 should be reduced. The commissioner shall promptly consider each  
397 such application and may grant or deny the hearing requested. If the  
398 hearing request is denied, the commissioner shall immediately notify  
399 the pharmaceutical manufacturer or wholesale distributor. If the  
400 hearing request is granted, the commissioner shall notify the  
401 pharmaceutical manufacturer or wholesale distributor of the date, time  
402 and place for such hearing. After such hearing, the commissioner may  
403 make such order as appears just and lawful to the commissioner and  
404 shall furnish a copy of such order to the pharmaceutical manufacturer  
405 or wholesale distributor. The commissioner may, by notice in writing,  
406 order a hearing on the commissioner's own initiative and require a  
407 pharmaceutical manufacturer or wholesale distributor, or any other  
408 person who the commissioner believes to be in possession of relevant  
409 information concerning such pharmaceutical manufacturer or

410 wholesale distributor, to appear before the commissioner or the  
411 commissioner's authorized agent with any specified books of account,  
412 papers or other documents for examination under oath.

413 (g) Any pharmaceutical manufacturer or wholesale distributor that is  
414 aggrieved by any order, decision, determination or disallowance of the  
415 commissioner made under subsection (f) of this section may, not later  
416 than thirty days after service of notice of such order, decision,  
417 determination or disallowance, take an appeal therefrom to the superior  
418 court for the judicial district of New Britain, which appeal shall be  
419 accompanied by a citation to the commissioner to appear before said  
420 court. Such citation shall be signed by the same authority and such  
421 appeal shall be returnable at the same time and served and returned in  
422 the same manner as is required in case of a summons in a civil action.  
423 The authority issuing the citation shall take from the appellant a bond  
424 or recognizance to this state, with surety, to prosecute the appeal to  
425 effect and to comply with the orders and decrees of the court. Such  
426 appeals shall be preferred cases, to be heard, unless cause appears to the  
427 contrary, at the first session, by the court or by a committee appointed  
428 by the court. Said court may grant such relief as may be equitable and,  
429 if the civil penalty was paid prior to the granting of such relief, may  
430 order the Treasurer to pay the amount of such relief. If the appeal was  
431 taken without probable cause, the court may tax double or triple costs,  
432 as the case demands and, upon all such appeals that are denied, costs  
433 may be taxed against such pharmaceutical manufacturer or wholesale  
434 distributor at the discretion of the court but no costs shall be taxed  
435 against this state.

436 (h) The commissioner, and any agent of the commissioner duly  
437 authorized to conduct any inquiry, investigation or hearing pursuant to  
438 this section, shall have power to administer oaths and take testimony  
439 under oath relative to the matter of inquiry or investigation. At any  
440 hearing ordered by the commissioner, the commissioner, or the  
441 commissioner's agent authorized to conduct such hearing and having  
442 authority by law to issue such process, may subpoena witnesses and  
443 require the production of books, papers and documents pertinent to

444 such inquiry or investigation. No witness under any subpoena  
445 authorized to be issued under the provisions of this section shall be  
446 excused from testifying or from producing books, papers or  
447 documentary evidence on the ground that such testimony or the  
448 production of such books, papers or documentary evidence would tend  
449 to incriminate such witness, but such books, papers or documentary  
450 evidence so produced shall not be used in any criminal proceeding  
451 against such witness. If any person disobeys such process or, having  
452 appeared in obedience thereto, refuses to answer any pertinent question  
453 put to such person by the commissioner, or the commissioner's  
454 authorized agent, or to produce any books, papers or other  
455 documentary evidence pursuant thereto, the commissioner, or such  
456 agent, may apply to the superior court of the judicial district wherein  
457 the pharmaceutical manufacturer or wholesale distributor resides or  
458 wherein the business was conducted, or to any judge of such court if the  
459 same is not in session, setting forth such disobedience to process or  
460 refusal to answer, and such court or such judge shall cite such person to  
461 appear before such court or such judge to answer such question or to  
462 produce such books, papers or other documentary evidence and, upon  
463 such person's refusal to do so, shall commit such person to a community  
464 correctional center until such person testifies, but not for a period longer  
465 than sixty days. Notwithstanding the serving of the term of such  
466 commitment by any person, the commissioner may proceed in all  
467 respects with such inquiry and examination as if the witness had not  
468 previously been called upon to testify. Officers who serve subpoenas  
469 issued by the commissioner or under the commissioner's authority and  
470 witnesses attending hearings conducted by the commissioner pursuant  
471 to this section shall receive fees and compensation at the same rates as  
472 officers and witnesses in the courts of this state, to be paid on vouchers  
473 of the commissioner on order of the Comptroller from the proper  
474 appropriation for the administration of this section.

475 (i) The amount of any civil penalty unpaid under the provisions of  
476 this section may be collected under the provisions of section 12-35 of the  
477 general statutes. The warrant provided under section 12-35 of the



478 general statutes shall be signed by the commissioner or the  
479 commissioner's authorized agent. The amount of any such civil penalty  
480 shall be a lien on the real property of the pharmaceutical manufacturer  
481 or wholesale distributor from the last day of the month next preceding  
482 the due date of such civil penalty until such civil penalty is paid. The  
483 commissioner may record such lien in the records of any town in which  
484 the real property of such pharmaceutical manufacturer or wholesale  
485 distributor is situated, but no such lien shall be enforceable against a  
486 bona fide purchaser or qualified encumbrancer of such real property.  
487 When any civil penalty with respect to which a lien was recorded under  
488 the provisions of this subsection is satisfied, the commissioner shall,  
489 upon request of any interested party, issue a certificate discharging such  
490 lien, which certificate shall be recorded in the same office in which such  
491 lien was recorded. Any action for the foreclosure of such lien shall be  
492 brought by the Attorney General in the name of this state in the superior  
493 court for the judicial district in which the real property subject to such  
494 lien is situated, or, if such real property is located in two or more judicial  
495 districts, in the superior court for any one such judicial district, and the  
496 court may limit the time for redemption or order the sale of such real  
497 property or make such other or further decree as the court judges  
498 equitable. The provisions of section 12-39g of the general statutes shall  
499 apply to all civil penalties imposed under this section.

500 (j) (1) Any officer or employee of a pharmaceutical manufacturer or  
501 wholesale distributor who owes a duty to the pharmaceutical  
502 manufacturer or wholesale distributor to pay the civil penalty imposed  
503 under subsection (b) of this section on behalf of such pharmaceutical  
504 manufacturer or wholesale distributor, file a statement with the  
505 commissioner pursuant to subsection (c) of this section on behalf of such  
506 pharmaceutical manufacturer or wholesale distributor, keep records or  
507 supply information to the commissioner on behalf of such  
508 pharmaceutical manufacturer or wholesale distributor pursuant to this  
509 section and wilfully fails, at the time required under this section, to pay  
510 such civil penalty, file such statement, keep such records or supply such  
511 information on behalf of such pharmaceutical manufacturer or

512 wholesale distributor shall, in addition to any other penalty provided  
513 by law, be fined not more than one thousand dollars or imprisoned not  
514 more than one year, or both. Notwithstanding the provisions of section  
515 54-193 of the general statutes, no such officer or employee shall be  
516 prosecuted for a violation of the provisions of this subdivision  
517 committed on or after January 1, 2026, except within three years next  
518 after such violation is committed.

519 (2) Any officer or employee of a pharmaceutical manufacturer or  
520 wholesale distributor who owes a duty to the pharmaceutical  
521 manufacturer or wholesale distributor to deliver or disclose to the  
522 commissioner, or the commissioner's authorized agent, any list,  
523 statement, return, account statement or other document on behalf of  
524 such pharmaceutical manufacturer or wholesale distributor and  
525 wilfully delivers or discloses to the commissioner, or the commissioner's  
526 authorized agent, any such list, statement, return, account statement or  
527 other document that such officer or employee knows to be fraudulent  
528 or false in any material matter shall, in addition to any other penalty  
529 provided by law, be guilty of a class D felony.

530 (3) No officer or employee of a pharmaceutical manufacturer or  
531 wholesale distributor shall be charged with an offense under both  
532 subdivisions (1) and (2) of this subsection in relation to the same civil  
533 penalty, but such officer or employee may be charged and prosecuted  
534 for both such offenses upon the same information.

535 (k) Each civil penalty imposed under subsection (b) of this section  
536 shall be deemed to constitute a civil fine or penalty within the meaning  
537 of 42 USC 1396b(w), as amended from time to time. No portion of any  
538 civil penalty imposed under subsection (b) of this section shall be  
539 waived under section 12-3a of the general statutes or any other  
540 applicable law. No tax credit shall be allowable against any civil penalty  
541 imposed under subsection (b) of this section.

542 (l) Not later than July 1, 2027, and annually thereafter, the  
543 commissioner shall prepare a list containing the name of each

544 pharmaceutical manufacturer or wholesale distributor that violated  
545 subsection (a) of this section during the preceding calendar year. The  
546 commissioner shall make each such list publicly available.

547 (m) The commissioner may adopt regulations, in accordance with the  
548 provisions of chapter 54 of the general statutes, to implement the  
549 provisions of this section.

550 Sec. 13. (NEW) (*Effective July 1, 2025*) (a) No pharmaceutical  
551 manufacturer or wholesale distributor of an identified prescription drug  
552 shall withdraw the identified prescription drug from sale in this state  
553 for the purpose of avoiding the civil penalty established in subsection  
554 (b) of section 12 of this act.

555 (b) Any pharmaceutical manufacturer or wholesale distributor that  
556 intends to withdraw an identified prescription drug from sale in this  
557 state shall, at least one hundred eighty days before such withdrawal,  
558 send advance written notice to the Office of Health Strategy disclosing  
559 such pharmaceutical manufacturer's or wholesale distributor's  
560 intention.

561 (c) Any pharmaceutical manufacturer or wholesale distributor that  
562 violates the provisions of subsection (a) or (b) of this section shall be  
563 liable to this state for a civil penalty in the amount of five hundred  
564 thousand dollars.

565 Sec. 14. (NEW) (*Effective July 1, 2025*) All civil penalties collected from  
566 pharmaceutical manufacturers or wholesale distributors under sections  
567 11 to 13, inclusive, of this act shall be deposited in the General Fund and  
568 expended for the purposes of promoting access to affordable health  
569 care, and reducing the health care costs borne by patients, in this state.

570 Sec. 15. (NEW) (*Effective January 1, 2026*) (a) As used in this section:

571 (1) "Enrollee" has the same meaning as provided in section 38a-478 of  
572 the general statutes;

573 (2) "Health benefit plan" has the same meaning as provided in section

574 38a-472f of the general statutes; and

575 (3) "Health carrier" has the same meaning as provided in section 38a-  
576 591a of the general statutes.

577 (b) Each insurer, health care center, hospital service corporation,  
578 medical service corporation, fraternal benefit society or other entity that  
579 delivers, issues for delivery, renews, amends or continues an individual  
580 or a group health insurance policy or health benefit plan in this state on  
581 or after January 1, 2026, providing coverage of the type specified in  
582 subdivisions (1), (2), (4), (11) and (12) of section 38a-469 of the general  
583 statutes in this state, shall, when calculating an insured's or enrollee's  
584 in-network liability for such insured's or enrollee's annual coinsurance,  
585 copayment, deductible or other in-network out-of-pocket expense, give  
586 credit for any out-of-pocket expense such insured or enrollee pays  
587 directly to any pharmacy licensed pursuant to section 20-594 of the  
588 general statutes, or health care provider licensed in this state, for any  
589 prescription drug, provided (1) no claim for such prescription drug was  
590 submitted to such insurer, center, corporation, society, or other entity,  
591 and (2) such out-of-pocket expense paid by such insured or enrollee to  
592 such pharmacy or health care provider is less than the average  
593 discounted rate for such prescription drug paid to an in-network health  
594 care provider pursuant to the terms of such health insurance policy or  
595 health benefit plan.

596 (c) If any insured or enrollee purchases a prescription drug from any  
597 out-of-network health care provider for a lower amount than the  
598 average amount paid by such insured's or enrollee's health carrier to any  
599 in-network health care provider for the same prescription drug, such  
600 health carrier, when calculating such insured's or enrollee's liability for  
601 such insured's or enrollee's in-network annual coinsurance, copayment,  
602 deductible or other out-of-pocket expense, shall give credit for such  
603 purchase, provided such insured or enrollee provides such health  
604 carrier with proof of payment for such prescription drug in accordance  
605 with the provisions of subsection (d) of this section. Nothing in this  
606 subsection shall be construed to restrict any health insurance policy or

607 health benefit plan from requiring a prior authorization or  
 608 precertification otherwise provided for in the insured's or enrollee's  
 609 health insurance policy or health benefit plan.

610 (d) Each health carrier shall (1) develop a proof of payment form and  
 611 publish such form on such health carrier's Internet web site for insureds  
 612 and enrollees to submit proof of payment for any out-of-network  
 613 prescription drug purchase pursuant to subsection (c) of this section,  
 614 and (2) annually provide to such insureds and enrollees written notice  
 615 of, and instructions for downloading or electronic submission of, such  
 616 proof of payment form.

617 (e) Upon receipt of any such proof of payment form submitted by any  
 618 insured or enrollee pursuant to subsection (d) of this section, each health  
 619 carrier shall give credit for any out-of-pocket payments that such  
 620 insured or enrollee paid to any out-of-network pharmacy or health care  
 621 provider in accordance with the provisions of subsection (c) of this  
 622 section, provided (1) the prescription drug purchased by such insured  
 623 or enrollee is included under such insured's or enrollee's health  
 624 insurance policy or health benefit plan, and (2) such insured or enrollee  
 625 purchased such prescription drug for a lower price than the average  
 626 amount paid by such insured or enrollee's health carrier to an in-  
 627 network health care provider for the same prescription drug.

628 (f) The total amount credited toward any insured's or enrollee's  
 629 annual coinsurance, copayment, deductible or other out-of-pocket  
 630 expense pursuant to subsection (e) of this section shall not (1) exceed the  
 631 total amount that such insured or enrollee is required to pay out-of-  
 632 pocket under the terms of the health insurance policy or health benefit  
 633 plan during a policy period, and (2) carry over to a new policy period.

This act shall take effect as follows and shall amend the following sections:

|           |                        |             |
|-----------|------------------------|-------------|
| Section 1 | <i>July 1, 2025</i>    | New section |
| Sec. 2    | <i>July 1, 2025</i>    | New section |
| Sec. 3    | <i>October 1, 2027</i> | New section |

|         |                        |             |
|---------|------------------------|-------------|
| Sec. 4  | <i>October 1, 2027</i> | New section |
| Sec. 5  | <i>October 1, 2027</i> | New section |
| Sec. 6  | <i>October 1, 2027</i> | New section |
| Sec. 7  | <i>October 1, 2027</i> | New section |
| Sec. 8  | <i>October 1, 2027</i> | New section |
| Sec. 9  | <i>October 1, 2027</i> | New section |
| Sec. 10 | <i>October 1, 2027</i> | New section |
| Sec. 11 | <i>July 1, 2025</i>    | New section |
| Sec. 12 | <i>July 1, 2025</i>    | New section |
| Sec. 13 | <i>July 1, 2025</i>    | New section |
| Sec. 14 | <i>July 1, 2025</i>    | New section |
| Sec. 15 | <i>January 1, 2026</i> | New section |

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

**JUD**      *Joint Favorable*