



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*

APP *Joint Favorable*