



General Assembly

Substitute Bill No. 7192

January Session, 2025



***AN ACT IMPLEMENTING RECOMMENDATIONS OF THE BIPARTISAN
DRUG TASK FORCE.***

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

1 Section 1. (NEW) (*Effective October 1, 2025*) (a) Any pharmacy benefits
2 manager shall owe a fiduciary duty to any health carrier, as defined in
3 section 38a-591a of the general statutes, or other health benefit plan
4 sponsor.

5 (b) Any pharmacy benefits manager shall notify the health carrier or
6 other health benefit plan sponsor, in writing, of any activity, policy or
7 practice of such pharmacy benefits manager that directly or indirectly
8 presents any conflict of interest with the duties imposed by this section.

9 (c) Any pharmacy benefits manager shall have an obligation of good
10 faith and fair dealing in performing such pharmacy benefits manager's
11 duties with all parties, including, but not limited to, a health carrier or
12 other health benefit plan sponsor with whom such pharmacy benefits
13 manager interacts in the performance of pharmacy benefit management
14 services.

15 (d) Notwithstanding any provision of title 38a of the general statutes
16 and to the maximum extent permitted by applicable law, no contract
17 entered into or amended after October 1, 2025, by a health carrier shall

18 contain any provision that permits or requires any party to such contract
19 to violate the fiduciary duty that such health carrier owes to such health
20 carrier's covered persons.

21 (e) Any violation of the provisions of this section shall constitute a
22 violation of sections 38a-815 to 38a-819, inclusive, of the general statutes.

23 (f) The Insurance Commissioner may adopt regulations, in
24 accordance with the provisions of chapter 54 of the general statutes, to
25 implement the provisions of this section.

26 Sec. 2. Section 38a-477cc of the general statutes is repealed and the
27 following is substituted in lieu thereof (*Effective January 1, 2026*):

28 (a) No contract for pharmacy services entered into in the state
29 between a health carrier, as defined in section 38a-591a, or pharmacy
30 benefits manager, as defined in section 38a-479aaa, and a pharmacy or
31 pharmacist shall:

32 (1) On and after January 1, 2018, contain a provision prohibiting or
33 penalizing, including through increased utilization review, reduced
34 payments or other financial disincentives, a pharmacist's disclosure to
35 an individual purchasing prescription medication of information
36 regarding:

37 (A) The cost of the prescription medication to the individual; or

38 (B) The availability of any therapeutically equivalent alternative
39 medications or alternative methods of purchasing the prescription
40 medication, including, but not limited to, paying a cash price, that are
41 less expensive than the cost of the prescription medication to the
42 individual; [and]

43 (2) On and after January 1, 2020, contain a provision permitting the
44 health carrier or pharmacy benefits manager to recoup, directly or
45 indirectly, from a pharmacy or pharmacist any portion of a claim that
46 such health carrier or pharmacy benefits manager has paid to the
47 pharmacy or pharmacist, unless such recoupment is permitted under

48 section 38a-479iii or required by applicable law;

49 (3) On and after January 1, 2026, contain a provision permitting the
50 pharmacy benefits manager to charge a health benefit plan in this state
51 a contracted price for any pharmacy services that differs from the
52 amount such pharmacy benefits manager, directly or indirectly, pays
53 the pharmacy for such pharmacy services; and

54 (4) On and after January 1, 2026, contain a provision permitting the
55 pharmacy benefits manager to charge a health benefit plan, directly or
56 indirectly, a fee that is conditioned on the (A) wholesale acquisition cost
57 or any other price metric for a prescription drug, (B) amount of savings,
58 rebates or other fees charged, realized, collected by or generated based
59 on the business practices of such pharmacy benefits manager, or (C)
60 amount of premiums charged or cost-sharing requirements pursuant to
61 such health benefit plan that are realized or collected by such pharmacy
62 benefits manager from covered persons. For the purposes of this
63 subdivision, "wholesale acquisition cost" means the price of a
64 medication set by a pharmaceutical manufacturer in the United States
65 when selling to a wholesaler.

66 (b) (1) On and after January 1, 2018, no health carrier or pharmacy
67 benefits manager shall require an individual to make a payment at the
68 point of sale for a covered prescription medication in an amount greater
69 than the lesser of:

70 (A) The applicable copayment for such prescription medication;

71 (B) The allowable claim amount for the prescription medication; or

72 (C) The amount an individual would pay for the prescription
73 medication if the individual purchased the prescription medication
74 without using a health benefit plan, as defined in section 38a-591a, or
75 any other source of prescription medication benefits or discounts.

76 (2) For the purposes of this subsection, "allowable claim amount"
77 means the amount the health carrier or pharmacy benefits manager has

78 agreed to pay the pharmacy for the prescription medication.

79 (c) Any provision of a contract that violates the provisions of this
80 section shall be void and unenforceable. Any general business practice
81 that violates the provisions of this section shall constitute an unfair trade
82 practice pursuant to chapter 735a. The invalidity or unenforceability of
83 any contract provision under this subsection shall not affect any other
84 provision of the contract.

85 (d) The Insurance Commissioner may:

86 (1) Enforce the provisions of this section pursuant to chapter 697; and

87 (2) Upon request, audit a contract for pharmacy services for
88 compliance with the provisions of this section.

89 Sec. 3. Section 38a-479ttt of the general statutes is repealed and the
90 following is substituted in lieu thereof (*Effective October 1, 2025*):

91 Not later than March 1, 2021, and annually thereafter, the
92 commissioner shall prepare a report, for the immediately preceding
93 calendar year, describing the rebate practices of health carriers. The
94 report shall contain (1) an explanation of the manner in which health
95 carriers accounted for rebates in calculating premiums for health care
96 plans delivered, issued for delivery, renewed, amended or continued
97 during such year, (2) a statement disclosing whether, and describing the
98 manner in which, health carriers made rebates available to insureds at
99 the point of purchase during such year, (3) any other manner in which
100 health carriers applied rebates during such year, (4) the percentage of
101 rebate dollars used by health carriers to reduce cost-sharing
102 requirements during such year, (5) an evaluation of rebate practices to
103 reduce cost-sharing for health care plans delivered, issued for delivery,
104 renewed, amended or continued during such year, and [(4)] (6) such
105 other information as the commissioner, in the commissioner's
106 discretion, deems relevant for the purposes of this section. The
107 commissioner shall publish a copy of the report on the department's
108 Internet web site.

109 Sec. 4. (NEW) (*Effective July 1, 2025*) (a) The Insurance Commissioner
110 shall require any health carrier, as defined in section 38a-591a of the
111 general statutes, to report to the commissioner annually on pricing
112 offered to and profit generated between such carrier and any pharmacy
113 benefits manager or mail-order pharmacy doing business with such
114 carrier.

115 (b) The commissioner shall post a link on the Internet web site of the
116 Insurance Department to the reports filed pursuant to subsection (a) of
117 this section.

118 Sec. 5. (NEW) (*Effective from passage*) (a) There is established a task
119 force to study emergency preparedness and mitigation strategies for
120 prescription drug shortages. The task force shall identify prescription
121 drugs at risk of shortage in this state and make recommendations
122 pursuant to subsection (g) of this section.

123 (b) The task force shall consist of the following members:

124 (1) Two appointed by the speaker of the House of Representatives,
125 one of whom has expertise in prescription drug supply chains and one
126 of whom has expertise in federal law concerning prescription drug
127 shortages;

128 (2) Two appointed by the president pro tempore of the Senate, one of
129 whom represents hospitals and one of whom represents health care
130 providers who treat patients with rare diseases;

131 (3) One appointed by the majority leader of the House of
132 Representatives, who represents one of the two federally recognized
133 Indian tribes in the state;

134 (4) One appointed by the majority leader of the Senate, who
135 represents one of the two federally recognized Indian tribes in the state;

136 (5) One appointed by the minority leader of the House of
137 Representatives;

- 138 (6) One appointed by the minority leader of the Senate;
- 139 (7) The Commissioner of Health Strategy, or the commissioner's
140 designee;
- 141 (8) The Commissioner of Consumer Protection, or the commissioner's
142 designee;
- 143 (9) The Commissioner of Social Services, or the commissioner's
144 designee;
- 145 (10) The Commissioner of Public Health, or the commissioner's
146 designee;
- 147 (11) The chief executive officer of The University of Connecticut
148 Health Center, or the chief executive officer's designee;
- 149 (12) The Insurance Commissioner, or the commissioner's designee;
150 and
- 151 (13) The Commissioner of Economic and Community Development,
152 or the commissioner's designee.
- 153 (c) Any member of the task force appointed under subdivision (1),
154 (2), (3), (4), (5) or (6) of subsection (b) of this section may be a member
155 of the General Assembly.
- 156 (d) All initial appointments to the task force shall be made not later
157 than thirty days after the effective date of this section. Any vacancy shall
158 be filled by the appointing authority.
- 159 (e) The speaker of the House of Representatives and the president pro
160 tempore of the Senate shall select the chairpersons of the task force from
161 among the members of the task force. Such chairpersons shall schedule
162 the first meeting of the task force, which shall be held not later than sixty
163 days after the effective date of this section.
- 164 (f) The administrative staff of the joint standing committee of the
165 General Assembly having cognizance of matters relating to general law

166 shall serve as administrative staff of the task force.

167 (g) Not later than January 1, 2026, and annually thereafter, the task
 168 force shall submit a report on its findings and recommendations to the
 169 joint standing committees of the General Assembly having cognizance
 170 of matters relating to general law, human services, insurance and real
 171 estate and public health, in accordance with the provisions of section 11-
 172 4a of the general statutes, including, but not limited to, identification of
 173 prescription drugs the task force determines are at risk of shortage and
 174 strategies that would mitigate these shortages, including methods to
 175 increase in-state production of such drugs deemed both at risk of
 176 shortage and critically necessary for the provision of health care within
 177 the state.

178 Sec. 6. (NEW) (*Effective July 1, 2025*) (a) As used in this section,
 179 "Strategic Supply Chain Initiative" means a program administered by
 180 the Department of Economic and Community Development to help
 181 state-based companies to increase their production capacity to win new
 182 business and attract out-of-state and international supply chain
 183 operations.

184 (b) The Commissioner of Economic and Community Development
 185 shall expand the Strategic Supply Chain Initiative to include efforts to
 186 prevent or mitigate prescription drug shortages, including, but not
 187 limited to, incorporating recommendations to prevent or mitigate
 188 prescription drug shortages by the task force established pursuant to
 189 section 5 of this act.

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

Section 1	<i>October 1, 2025</i>	New section
Sec. 2	<i>January 1, 2026</i>	38a-477cc
Sec. 3	<i>October 1, 2025</i>	38a-479ttt
Sec. 4	<i>July 1, 2025</i>	New section
Sec. 5	<i>from passage</i>	New section
Sec. 6	<i>July 1, 2025</i>	New section

APP *Joint Favorable Subst.*