



General Assembly

January Session, 2025

Committee Bill No. 11

LCO No. 5928



Referred to Committee on HUMAN SERVICES

Introduced by:
(HS)

AN ACT CONCERNING PRESCRIPTION DRUG ACCESS AND AFFORDABILITY.

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

1 Section 1. (NEW) (*Effective July 1, 2025*) For the purposes of this
2 section and sections 2 and 3 of this act:

3 (1) "Biological product" has the same meaning as provided in section
4 20-619 of the general statutes;

5 (2) "Brand-name drug" means a drug that is produced or distributed
6 in accordance with an original new drug application approved under 21
7 USC 355, as amended from time to time, but does not include an
8 authorized generic drug as defined in 42 CFR 447.502, as amended from
9 time to time;

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

11 (4) "Consumer price index" means the consumer price index, annual
12 average, for all urban consumers: United States city average, all items,
13 published by the United States Department of Labor, Bureau of Labor
14 Statistics, or its successor, or, if the index is discontinued, an equivalent

15 index published by a federal authority, or, if no such index is published,
16 a comparable index published by the United States Department of
17 Labor, Bureau of Labor Statistics;

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

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

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

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

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

36 (10) "Prescription drug" means a legend drug, as defined in section
37 20-571 of the general statutes, approved by the federal Food and Drug
38 Administration, or any successor agency, and prescribed by a health
39 care provider to an individual in this state;

40 (11) "Reference price" means the wholesale acquisition cost, as
41 defined in 42 USC 1395w-3a, as amended from time to time, of (A) a
42 brand-name drug or biological product (i) on January 1, 2025, if the
43 patent for the brand-name drug or biological product expired on or
44 before said date, or (ii) if the patent for the brand-name drug or

45 biological product expires after January 1, 2025, on the date the patent
46 for such brand-name drug or biological product expires, or (B) a generic
47 drug or interchangeable biological product (i) on January 1, 2025, or (ii)
48 if the generic drug or interchangeable biological product is first
49 commercially marketed in the United States after January 1, 2025, on the
50 date such generic drug or interchangeable biological product is first
51 commercially marketed in the United States; and

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

56 Sec. 2. (NEW) (*Effective July 1, 2025*) (a) (1) Notwithstanding any
57 provision of the general statutes and except as provided in subdivision
58 (2) of this subsection, no pharmaceutical manufacturer or wholesale
59 distributor shall, on or after January 1, 2026, sell an identified
60 prescription drug in this state at a price that exceeds the reference price
61 for the identified prescription drug, adjusted for any increase in the
62 consumer price index.

63 (2) A pharmaceutical manufacturer or wholesale distributor may, on
64 or after January 1, 2026, sell an identified prescription drug in this state
65 at a price that exceeds the reference price for the identified prescription
66 drug, adjusted for any increase in the consumer price index, if the
67 federal Secretary of Health and Human Services determines, pursuant
68 to 21 USC 356e, as amended from time to time, that such identified
69 prescription drug is in shortage in the United States.

70 (b) (1) Except as provided in subdivision (2) of this subsection, any
71 pharmaceutical manufacturer or wholesale distributor that violates the
72 provisions of subsection (a) of this section shall be liable to this state for
73 a civil penalty. Such civil penalty shall be imposed, calculated and
74 collected on a calendar year basis by the Commissioner of Consumer
75 Protection, and the amount of such civil penalty for a calendar year shall
76 be equal to eighty per cent of the difference between:

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

80 (B) The revenue that the pharmaceutical manufacturer or wholesale
81 distributor would have earned from all sales of the identified
82 prescription drug in this state during the calendar year if the
83 pharmaceutical manufacturer or wholesale distributor had sold such
84 identified prescription drug at a price that did not exceed the reference
85 price for such identified prescription drug, as such reference price is
86 adjusted for any increase in the consumer price index.

87 (2) No pharmaceutical manufacturer or wholesale distributor of an
88 identified prescription drug shall be liable to this state for the civil
89 penalty imposed under subdivision (1) of this subsection unless the
90 pharmaceutical manufacturer or wholesale distributor made at least
91 two hundred fifty thousand dollars in total annual sales in this state for
92 the calendar year for which such civil penalty would otherwise be
93 imposed.

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

99 (i) Pay to the Commissioner of Consumer Protection the civil penalty
100 imposed under subsection (b) of this section for such calendar year; and

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

104 (B) A pharmaceutical manufacturer or wholesale distributor that is
105 required to file the statement and pay the civil penalty pursuant to
106 subparagraph (A) of this subdivision shall electronically file such

107 statement and make such payment by electronic funds transfer in the
108 manner provided by chapter 228g of the general statutes, irrespective of
109 whether the pharmaceutical manufacturer or wholesale distributor
110 would have otherwise been required to electronically file such
111 statement or make such payment by electronic funds transfer under
112 chapter 228g of the general statutes.

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

117 (d) The commissioner may examine the records of any
118 pharmaceutical manufacturer or wholesale distributor that is subject to
119 the civil penalty imposed under subsection (b) of this section as the
120 commissioner deems necessary. If the commissioner determines from
121 such examination that the pharmaceutical manufacturer or wholesale
122 distributor failed to pay the full amount of such civil penalty, the
123 commissioner shall bill such pharmaceutical manufacturer or wholesale
124 distributor for the full amount of such civil penalty.

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

131 (2) The commissioner, or the commissioner's authorized
132 representative, may examine the books, papers, records and equipment
133 of any person who is subject to the provisions of this section and may
134 investigate the character of the business of such person to verify the
135 accuracy of any statement made or, if no statement is made by such
136 person, to ascertain and determine the amount of the civil penalty due
137 under subsection (b) of this section.

138 (f) Any pharmaceutical manufacturer or wholesale distributor that is
139 subject to the civil penalty imposed under subsection (b) of this section
140 and aggrieved by any action of the commissioner under subdivision (2)
141 of subsection (c) of this section or subsection (d) of this section may
142 apply to the commissioner, in writing and not later than sixty days after
143 the notice of such action is delivered or mailed to such pharmaceutical
144 manufacturer or wholesale distributor, for a hearing, setting forth the
145 reasons why such hearing should be granted and if such pharmaceutical
146 manufacturer or wholesale distributor believes that such
147 pharmaceutical manufacturer or wholesale distributor is not liable for
148 such civil penalty or the full amount of such civil penalty, the grounds
149 for such belief and the amount by which such pharmaceutical
150 manufacturer or wholesale distributor believes such civil penalty
151 should be reduced. The commissioner shall promptly consider each
152 such application and may grant or deny the hearing requested. If the
153 hearing request is denied, the commissioner shall immediately notify
154 the pharmaceutical manufacturer or wholesale distributor. If the
155 hearing request is granted, the commissioner shall notify the
156 pharmaceutical manufacturer or wholesale distributor of the date, time
157 and place for such hearing. After such hearing, the commissioner may
158 make such order as appears just and lawful to the commissioner and
159 shall furnish a copy of such order to the pharmaceutical manufacturer
160 or wholesale distributor. The commissioner may, by notice in writing,
161 order a hearing on the commissioner's own initiative and require a
162 pharmaceutical manufacturer or wholesale distributor, or any other
163 person who the commissioner believes to be in possession of relevant
164 information concerning such pharmaceutical manufacturer or
165 wholesale distributor, to appear before the commissioner or the
166 commissioner's authorized agent with any specified books of account,
167 papers or other documents for examination under oath.

168 (g) Any pharmaceutical manufacturer or wholesale distributor that is
169 aggrieved by any order, decision, determination or disallowance of the
170 commissioner made under subsection (f) of this section may, not later
171 than thirty days after service of notice of such order, decision,

172 determination or disallowance, take an appeal therefrom to the superior
173 court for the judicial district of New Britain, which appeal shall be
174 accompanied by a citation to the commissioner to appear before said
175 court. Such citation shall be signed by the same authority and such
176 appeal shall be returnable at the same time and served and returned in
177 the same manner as is required in case of a summons in a civil action.
178 The authority issuing the citation shall take from the appellant a bond
179 or recognizance to this state, with surety, to prosecute the appeal to
180 effect and to comply with the orders and decrees of the court. Such
181 appeals shall be preferred cases, to be heard, unless cause appears to the
182 contrary, at the first session, by the court or by a committee appointed
183 by the court. Said court may grant such relief as may be equitable and,
184 if the civil penalty was paid prior to the granting of such relief, may
185 order the Treasurer to pay the amount of such relief. If the appeal was
186 taken without probable cause, the court may tax double or triple costs,
187 as the case demands and, upon all such appeals that are denied, costs
188 may be taxed against such pharmaceutical manufacturer or wholesale
189 distributor at the discretion of the court but no costs shall be taxed
190 against this state.

191 (h) The commissioner, and any agent of the commissioner duly
192 authorized to conduct any inquiry, investigation or hearing pursuant to
193 this section, shall have power to administer oaths and take testimony
194 under oath relative to the matter of inquiry or investigation. At any
195 hearing ordered by the commissioner, the commissioner, or the
196 commissioner's agent authorized to conduct such hearing and having
197 authority by law to issue such process, may subpoena witnesses and
198 require the production of books, papers and documents pertinent to
199 such inquiry or investigation. No witness under any subpoena
200 authorized to be issued under the provisions of this section shall be
201 excused from testifying or from producing books, papers or
202 documentary evidence on the ground that such testimony or the
203 production of such books, papers or documentary evidence would tend
204 to incriminate such witness, but such books, papers or documentary
205 evidence so produced shall not be used in any criminal proceeding

206 against such witness. If any person disobeys such process or, having
207 appeared in obedience thereto, refuses to answer any pertinent question
208 put to such person by the commissioner, or the commissioner's
209 authorized agent, or to produce any books, papers or other
210 documentary evidence pursuant thereto, the commissioner, or such
211 agent, may apply to the superior court of the judicial district wherein
212 the pharmaceutical manufacturer or wholesale distributor resides or
213 wherein the business was conducted, or to any judge of such court if the
214 same is not in session, setting forth such disobedience to process or
215 refusal to answer, and such court or such judge shall cite such person to
216 appear before such court or such judge to answer such question or to
217 produce such books, papers or other documentary evidence and, upon
218 such person's refusal to do so, shall commit such person to a community
219 correctional center until such person testifies, but not for a period longer
220 than sixty days. Notwithstanding the serving of the term of such
221 commitment by any person, the commissioner may proceed in all
222 respects with such inquiry and examination as if the witness had not
223 previously been called upon to testify. Officers who serve subpoenas
224 issued by the commissioner or under the commissioner's authority and
225 witnesses attending hearings conducted by the commissioner pursuant
226 to this section shall receive fees and compensation at the same rates as
227 officers and witnesses in the courts of this state, to be paid on vouchers
228 of the commissioner on order of the Comptroller from the proper
229 appropriation for the administration of this section.

230 (i) The amount of any civil penalty unpaid under the provisions of
231 this section may be collected under the provisions of section 12-35 of the
232 general statutes. The warrant provided under section 12-35 of the
233 general statutes shall be signed by the commissioner or the
234 commissioner's authorized agent. The amount of any such civil penalty
235 shall be a lien on the real property of the pharmaceutical manufacturer
236 or wholesale distributor from the last day of the month next preceding
237 the due date of such civil penalty until such civil penalty is paid. The
238 commissioner may record such lien in the records of any town in which
239 the real property of such pharmaceutical manufacturer or wholesale

240 distributor is situated, but no such lien shall be enforceable against a
241 bona fide purchaser or qualified encumbrancer of such real property.
242 When any civil penalty with respect to which a lien was recorded under
243 the provisions of this subsection is satisfied, the commissioner shall,
244 upon request of any interested party, issue a certificate discharging such
245 lien, which certificate shall be recorded in the same office in which such
246 lien was recorded. Any action for the foreclosure of such lien shall be
247 brought by the Attorney General in the name of this state in the superior
248 court for the judicial district in which the real property subject to such
249 lien is situated, or, if such property is located in two or more judicial
250 districts, in the superior court for any one such judicial district, and the
251 court may limit the time for redemption or order the sale of such real
252 property or make such other or further decree as the court judges
253 equitable. The provisions of section 12-39g of the general statutes shall
254 apply to all civil penalties imposed under this section.

255 (j) (1) Any officer or employee of a pharmaceutical manufacturer or
256 wholesale distributor who owes a duty to the pharmaceutical
257 manufacturer or wholesale distributor to pay the civil penalty imposed
258 under subsection (b) of this section on behalf of such pharmaceutical
259 manufacturer or wholesale distributor, shall file a statement with the
260 commissioner pursuant to subsection (c) of this section on behalf of such
261 pharmaceutical manufacturer or wholesale distributor, keep records or
262 supply information to the commissioner on behalf of such
263 pharmaceutical manufacturer or wholesale distributor pursuant to this
264 section and wilfully fails, at the time required under this section, to pay
265 such civil penalty, file such statement, keep such records or supply such
266 information on behalf of such pharmaceutical manufacturer or
267 wholesale distributor shall, in addition to any other penalty provided
268 by law, be fined not more than one thousand dollars or imprisoned not
269 more than one year, or both. Notwithstanding the provisions of section
270 54-193 of the general statutes, no such officer or employee shall be
271 prosecuted for a violation of the provisions of this subdivision
272 committed on or after January 1, 2026, except within three years next
273 after such violation is committed.

274 (2) Any officer or employee of a pharmaceutical manufacturer or
275 wholesale distributor who owes a duty to the pharmaceutical
276 manufacturer or wholesale distributor to deliver or disclose to the
277 commissioner, or the commissioner's authorized agent, any list,
278 statement, return, account statement or other document on behalf of
279 such pharmaceutical manufacturer or wholesale distributor and
280 wilfully delivers or discloses to the commissioner, or the commissioner's
281 authorized agent, any such list, statement, return, account statement or
282 other document that such officer or employee knows to be fraudulent
283 or false in any material matter shall, in addition to any other penalty
284 provided by law, be guilty of a class D felony.

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

290 (k) Each civil penalty imposed under subsection (b) of this section
291 shall be deemed to constitute a civil fine or penalty within the meaning
292 of 42 USC 1396b(w), as amended from time to time. No portion of any
293 civil penalty imposed under subsection (b) of this section shall be
294 waived under section 12-3a of the general statutes or any other
295 applicable law. No tax credit shall be allowable against any civil penalty
296 imposed under subsection (b) of this section.

297 (l) Not later than July 1, 2027, and annually thereafter, the
298 commissioner shall prepare a list containing the name of each
299 pharmaceutical manufacturer or wholesale distributor that violated
300 subsection (a) of this section during the preceding calendar year. The
301 commissioner shall make each such list publicly available.

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

305 Sec. 3. (NEW) (*Effective July 1, 2025*) (a) No pharmaceutical
306 manufacturer or wholesale distributor of an identified prescription drug
307 shall withdraw the identified prescription drug from sale in this state
308 for the purpose of avoiding the civil penalty established in subsection
309 (b) of section 2 of this act.

310 (b) Any pharmaceutical manufacturer or wholesale distributor that
311 intends to withdraw an identified prescription drug from sale in this
312 state shall, at least one hundred eighty days before such withdrawal,
313 send advance written notice to the Office of Health Strategy disclosing
314 such pharmaceutical manufacturer's or wholesale distributor's
315 intention.

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

320 Sec. 4. (NEW) (*Effective July 1, 2025*) (a) As used in this section and
321 section 5 of this act, "drug purchasing agency" means The University of
322 Connecticut Health Center, the Judicial Branch and the Departments of
323 Mental Health and Addiction Services, Children and Families,
324 Developmental Services and Public Health. The University of
325 Connecticut Health Center shall negotiate bulk prices for prescription
326 drugs on behalf of drug purchasing agencies with the goal of purchasing
327 such drugs at lower prices than the prices of such drugs purchased by a
328 single drug purchasing agency.

329 (b) Not later than September 1, 2025, the executive director of The
330 University of Connecticut Health Center, or the executive director's
331 designee, shall file a report, in accordance with the provisions of section
332 11-4a of the general statutes, with the joint standing committees of the
333 General Assembly having cognizance of matters relating to general law,
334 human services and public health on any savings realized from bulk
335 purchases of prescription drugs pursuant to subsection (a) of this
336 section.

337 Sec. 5. (NEW) (*Effective July 1, 2025*) (a) As used in this section, (1)
338 "maximum fair prices" means the prices negotiated by the Centers for
339 Medicare and Medicaid Services for certain prescription drugs under
340 the Inflation Reduction Act, P.L. 117-69, and (2) "drug purchasing
341 agency" has the same meaning as provided in section 4 of this act. A
342 drug purchasing agency shall incorporate by reference maximum fair
343 prices in any negotiation with a pharmaceutical drug manufacturer to
344 supply prescription drugs for health care programs subsidized by the
345 state.

346 (b) In purchasing drugs at bulk prices pursuant to section 4 of this act
347 or maximum fair prices pursuant to this section, a drug purchasing
348 agency may enter into a compact with officials in other states to increase
349 the state's purchasing power in negotiations with pharmaceutical
350 companies. A drug purchasing agency shall consider recommendations
351 of the council established pursuant to section 6 of this act in any
352 negotiations for prescription drugs pursuant to this section.

353 Sec. 6. (NEW) (*Effective July 1, 2025*) (a) There is established a
354 Prescription Drug Affordability Council to advise the executive director
355 of The University of Connecticut Health Center and drug purchasing
356 agencies on prescription drug negotiations pursuant to sections 4 and 5
357 of this act. The council shall consist of the following members:

358 (b) (1) Two appointed by the speaker of the House of Representatives,
359 one of whom represents an organization representing hospitals and one
360 of whom represents an organization representing physicians;

361 (2) Two appointed by the president pro tempore of the Senate, one of
362 whom represents an academic who has conducted research into the
363 affordability of prescription drugs and one of whom represents an
364 organization representing senior citizens in the state;

365 (3) One appointed by the majority leader of the House of
366 Representatives, who represents physicians who treat patients with rare
367 diseases;

- 368 (4) One appointed by the majority leader of the Senate;
- 369 (5) One appointed by the minority leader of the House of
370 Representatives;
- 371 (6) One appointed by the minority leader of the Senate;
- 372 (7) The Commissioner of Health Strategy, or the commissioner's
373 designee;
- 374 (8) The Commissioner of Social Services, or the commissioner's
375 designee;
- 376 (9) The Commissioner of Consumer Protection, or the commissioner's
377 designee;
- 378 (10) The Insurance Commissioner, or the commissioner's designee;
379 and
- 380 (11) The Commissioner of Children and Families, or the
381 commissioner's designee.
- 382 (c) Any member of the council appointed under subdivision (1), (2),
383 (3), (4), (5) or (6) of subsection (b) of this section may be a member of the
384 General Assembly.
- 385 (d) All initial appointments to the council shall be made not later than
386 thirty days after the effective date of this section. Any vacancy shall be
387 filled by the appointing authority.
- 388 (e) The speaker of the House of Representatives and the president pro
389 tempore of the Senate shall select the chairpersons of the council from
390 among the members of the council. Such chairpersons shall schedule the
391 first meeting of the council, which shall be held not later than sixty days
392 after the effective date of this section.
- 393 (f) The administrative staff of the joint standing committee of the
394 General Assembly having cognizance of matters relating to human

395 services shall serve as administrative staff of the task force.

396 (g) Not later than January 1, 2026, and annually thereafter, the council
397 shall submit a report on its findings and recommendations to the
398 Commissioner of Health Strategy and the joint standing committees of
399 the General Assembly having cognizance of matters relating to general
400 law, human services and public health, in accordance with the
401 provisions of section 11-4a of the general statutes.

402 Sec. 7. Subsection (a) of section 17b-340d of the general statutes is
403 repealed and the following is substituted in lieu thereof (*Effective July 1,*
404 *2025*):

405 (a) The Commissioner of Social Services shall implement an acuity-
406 based methodology for Medicaid reimbursement of nursing home
407 services effective July 1, 2022. Notwithstanding section 17b-340, for the
408 fiscal year ending June 30, 2023, and annually thereafter, the
409 Commissioner of Social Services shall establish Medicaid rates paid to
410 nursing home facilities based on cost years ending on September
411 thirtieth in accordance with the following:

412 (1) Case-mix adjustments to the direct care component, which will be
413 based on Minimum Data Set resident assessment data as well as cost
414 data reported for the cost year ending September 30, 2019, shall be made
415 effective beginning July 1, 2022, and updated every quarter thereafter.
416 After modeling such case-mix adjustments, the Commissioner of Social
417 Services shall evaluate impact on a facility by facility basis and, not later
418 than October 1, 2021, (A) make recommendations to the Secretary of the
419 Office of Policy and Management, and (B) submit a report on the
420 recommendations, in accordance with the provisions of section 11-4a, to
421 the joint standing committees of the General Assembly having
422 cognizance of matters relating to appropriations and the budgets of state
423 agencies and human services on any adjustments needed to facilitate the
424 transition to the new methodology on July 1, 2022. This evaluation may
425 include a review of inflationary allowances, case mix and budget
426 adjustment factors and stop loss and stop gain corridors and the ability

427 to make such adjustments within available appropriations.

428 (2) Beginning July 1, 2022, facilities [will be required to] shall comply
429 with collection and reporting of quality metrics as specified by the
430 Department of Social Services, after consultation with the nursing home
431 industry, consumers, employees and the Department of Public Health.
432 Rate adjustments based on performance on quality metrics [will] shall
433 be phased in, beginning July 1, 2022, with a period of reporting only.
434 Effective July 1, 2023, the Department of Social Services shall issue
435 individualized reports annually to each nursing home facility showing
436 the impact to the Medicaid rate for such home based on the quality
437 metrics program. A nursing home facility receiving an individualized
438 quality metrics report may use such report to evaluate the impact of the
439 quality metrics program on said facility's Medicaid reimbursement. Not
440 later than June 30, 2025, the department shall submit a report, in
441 accordance with the provisions of section 11-4a, to the joint standing
442 committees of the General Assembly having cognizance of matters
443 relating to appropriations and the budgets of state agencies and human
444 services on the quality metrics program. Such report shall include
445 information regarding individualized reports and the anticipated
446 impact on nursing homes if the state were to implement a rate withhold
447 on nursing homes that fail to meet certain quality metrics.

448 (3) Geographic peer groupings of facilities shall be established by the
449 Department of Social Services pursuant to regulations adopted in
450 accordance with subsection (b) of this section.

451 (4) Allowable costs shall be divided into the following five cost
452 components: (A) Direct costs, which shall include salaries for nursing
453 personnel, related fringe benefits and costs for nursing personnel
454 supplied by a temporary nursing services agency; (B) indirect costs,
455 which shall include professional fees, dietary expenses, housekeeping
456 expenses, laundry expenses, supplies related to patient care, salaries for
457 indirect care personnel and related fringe benefits; (C) fair rent, which
458 shall be defined in regulations adopted in accordance with subsection

459 (b) of this section; (D) capital-related costs, which shall include property
460 taxes, insurance expenses, equipment leases and equipment
461 depreciation; and (E) administrative and general costs, which shall
462 include maintenance and operation of plant expenses, salaries for
463 administrative and maintenance personnel and related fringe benefits.
464 For (i) direct costs, the maximum cost shall be equal to one hundred
465 thirty-five per cent of the median allowable cost of that peer grouping;
466 (ii) indirect costs, the maximum cost shall be equal to one hundred
467 fifteen per cent of the state-wide median allowable cost; (iii) fair rent,
468 the amount shall be calculated utilizing the amount approved pursuant
469 to section 17b-353; (iv) capital-related costs, there shall be no maximum;
470 and (v) administrative and general costs, the maximum shall be equal to
471 the state-wide median allowable cost. For purposes of this subdivision,
472 "temporary nursing services agency" and "nursing personnel" have the
473 same meaning as provided in section 19a-118.

474 (5) Costs in excess of the maximum amounts established under this
475 subsection shall not be recognized as allowable costs, except that the
476 commissioner may establish rates whereby allowable costs may exceed
477 such maximum amounts for beds which are restricted to use by patients
478 with acquired immune deficiency syndrome, traumatic brain injury or
479 other specialized services.

480 (6) On or after June 30, 2022, the commissioner may, in the
481 commissioner's discretion and within available appropriations, provide
482 pro rata fair rent increases to facilities which have documented fair rent
483 additions placed in service in the most recently filed cost report that are
484 not otherwise included in the rates issued. The commissioner may
485 provide, within available appropriations, pro rata fair rent increases,
486 which may, at the discretion of the commissioner, include increases for
487 facilities which have undergone a material change in circumstances
488 related to fair rent additions in the most recently filed cost report. The
489 commissioner may allow minimum fair rent as the basis upon which
490 reimbursement associated with improvements to real property is
491 added.

492 (7) For the purpose of determining allowable fair rent, a facility with
493 allowable fair rent less than the twenty-fifth percentile of the state-wide
494 allowable fair rent shall be reimbursed as having allowable fair rent
495 equal to the twenty-fifth percentile of the state-wide allowable fair rent.
496 Any facility with a rate of return on real property other than land in
497 excess of eleven per cent shall have such allowance revised to eleven per
498 cent. Any facility or its related realty affiliate which finances or
499 refinances debt through bonds issued by the Connecticut Health and
500 Education Facilities Authority shall report the terms and conditions of
501 such financing or refinancing to the Commissioner of Social Services not
502 later than thirty days after completing such financing or refinancing.
503 The commissioner may revise the facility's fair rent component of its rate
504 to reflect any financial benefit the facility or its related realty affiliate
505 received as a result of such financing or refinancing. The commissioner
506 shall determine allowable fair rent for real property other than land
507 based on the rate of return for the cost year in which such bonds were
508 issued. The financial benefit resulting from a facility financing or
509 refinancing debt through such bonds shall be shared between the state
510 and the facility to an extent determined by the commissioner on a case-
511 by-case basis and shall be reflected in an adjustment to the facility's
512 allowable fair rent.

513 (8) A facility shall receive cost efficiency adjustments for indirect costs
514 and for administrative and general costs if such costs are below the
515 state-wide median costs. The cost efficiency adjustments shall equal
516 twenty-five per cent of the difference between allowable reported costs
517 and the applicable median allowable cost established pursuant to
518 subdivision (4) of this subsection.

519 (9) On and after July 1, 2025, costs shall be rebased no more frequently
520 than every two years and no less frequently than every four years, as
521 determined by the commissioner. There shall be no inflation adjustment
522 during a year in which a facility's rates are rebased. The commissioner
523 shall determine whether and to what extent a change in ownership of a
524 facility shall occasion the rebasing of the facility's costs.

525 (10) The method of establishing rates for new facilities shall be
526 determined by the commissioner in accordance with the provisions of
527 this subsection.

528 (11) There shall be no increase to rates based on inflation or any
529 inflationary factor for the fiscal years ending June 30, 2022, and June 30,
530 2023, unless otherwise authorized under subdivision (1) of this
531 subsection. Notwithstanding section 17-311-52 of the regulations of
532 Connecticut state agencies, for the fiscal years ending June 30, 2024, and
533 June 30, 2025, there shall be no inflationary increases to rates beyond
534 those already factored into the model for the transition to an acuity-
535 based reimbursement system. Notwithstanding any other provisions of
536 this chapter, any subsequent increase to allowable operating costs,
537 excluding fair rent, shall be inflated by the gross domestic product
538 deflator when funding is specifically appropriated for such purposes in
539 the enacted budget. The rate of inflation shall be computed by
540 comparing the most recent rate year to the average of the gross domestic
541 product deflator for the previous four fiscal quarters ending March
542 thirty-first. Any increase to rates based on inflation shall be applied
543 prior to the application of any other budget adjustment factors that may
544 impact such rates.

545 (12) For the fiscal year beginning July 1, 2025, and each fiscal year
546 thereafter, the commissioner shall require a nursing home facility to
547 spend not less than eighty per cent of funding received from Medicaid,
548 Medicare and all other payment sources on direct care of residents,
549 provided the commissioner may adjust the percentage spent on direct
550 care for a nursing home facility with a capital improvement project or a
551 fair rent increase approved by the commissioner. For the fiscal year
552 beginning July 1, 2027, and each fiscal year thereafter, the commissioner
553 may decrease rates of Medicaid reimbursement for any nursing home
554 that does not comply with the provisions of this subdivision. For
555 purposes of this subdivision, (A) "direct care" means hands-on care
556 provided to a facility resident by nursing personnel, including, but not
557 limited to, assistance with feeding, bathing, toileting, dressing, lifting or

558 moving residents, medication administration and salary, fringe benefits
559 and supplies related to direct care; and (B) "nursing personnel" means
560 an advanced practice registered nurse, licensed pursuant to chapter 378,
561 a registered nurse or practical nurse, licensed pursuant to chapter 378,
562 or a nurse's aide, registered pursuant to chapter 378a.

563 [(12)] (13) For purposes of computing minimum allowable patient
564 days, utilization of a facility's certified beds shall be determined at a
565 minimum of ninety per cent of capacity, except for facilities that have
566 undergone a change in ownership, new facilities, and facilities which
567 are certified for additional beds which may be permitted a lower
568 occupancy rate for the first three months of operation after the effective
569 date of licensure.

570 [(13)] (14) Rates determined under this section shall comply with
571 federal laws and regulations.

572 [(14)] (15) The Commissioner of Social Services may authorize an
573 interim rate for a facility demonstrating circumstances particular to that
574 individual facility impacting facility finances or costs not reflected in the
575 underlying rates.

576 Sec. 8. (NEW) (*Effective July 1, 2025*) (a) As used in this section, (1)
577 "emergency medical condition" means a medical condition, including
578 emergency labor and delivery, manifesting itself by acute symptoms of
579 sufficient severity, including severe pain, such that the absence of
580 immediate medical attention could reasonably be expected to result in
581 (A) placing the patient's health in serious jeopardy, (B) serious
582 impairment to bodily functions, or (C) serious dysfunction of any bodily
583 organ or part; and (2) "emergency Medicaid coverage" means Medicaid
584 coverage for treatment of an emergency medical condition.

585 (b) The Commissioner of Social Services shall expand emergency
586 Medicaid coverage consistent with federal law for treatment of
587 emergency medical conditions, including, but not limited to, emergency
588 medical conditions related to (1) a high-risk pregnancy, (2) diabetes type

589 1 in persons under the age of twenty-one, (3) diabetic emergencies,
590 including, but not limited to, diabetic ketoacidosis, (4) renal failure
591 requiring ongoing dialysis, (5) fracture of a bone in the skull, arm, neck,
592 leg, spine or pelvis occurring in the two-month period prior to a request
593 for emergency Medicaid coverage, (6) hypertensive emergencies
594 involving persons presenting with signs or symptoms of end organ
595 damage and systolic blood pressure equaling or exceeding one hundred
596 eighty or diastolic blood pressure equaling or exceeding one hundred
597 twenty, (7) unstable seizure disorder characterized by at least five
598 minutes of uncontrollable seizures or at least two discrete seizures
599 between which the person does not regain consciousness, (8) active
600 treatment for cancer related to a current diagnosis, (9) ventilator
601 dependency, (10) labor and delivery, and (11) acute inpatient or
602 outpatient psychiatric treatment.

603 (c) Not later than July 1, 2026, the commissioner shall establish an
604 administrative system for persons to apply in advance for emergency
605 Medicaid coverage for emergency medical conditions that can be
606 treated in outpatient settings rather than in hospital emergency
607 departments. The commissioner shall include a prominent link to the
608 application and a list of covered emergency medical conditions on the
609 Internet web site of the Department of Social Services. The
610 commissioner shall also include information about advance
611 applications for emergency Medicaid coverage and a list of covered
612 emergency medical conditions in department forms and policy
613 manuals.

614 Sec. 9. (NEW) (*Effective July 1, 2025*) (a) The Commissioner of Social
615 Services shall increase and then eliminate the asset limit for the HUSKY
616 C health program, as defined in section 17b-290 of the general statutes,
617 over a five-year period in accordance with the provisions of this section:

618 (1) For the fiscal year ending June 30, 2026, the commissioner shall
619 increase the asset limit for (A) an unmarried person from one thousand
620 six hundred dollars to ten thousand dollars, and (B) married persons

621 from two thousand four hundred dollars to fifteen thousand dollars;

622 (2) For the fiscal year ending June 30, 2027, the commissioner shall
623 increase the asset limit for (A) an unmarried person to twenty-five
624 thousand dollars, and (B) married persons to forty thousand dollars;

625 (3) For the fiscal year ending June 30, 2028, the commissioner shall
626 increase the asset limit for (A) an unmarried person to seventy-five
627 thousand dollars, and (B) married persons to one hundred thousand
628 dollars;

629 (4) For the fiscal year ending June 30, 2029, the commissioner shall
630 increase the asset limit for (A) an unmarried person to one hundred
631 thousand dollars, and (B) married persons to one hundred fifty
632 thousand dollars; and

633 (5) For the fiscal year ending June 30, 2030, and each fiscal year
634 thereafter, there shall be no asset limit for unmarried or married
635 persons.

636 (b) The Commissioner of Social Services shall allow any person,
637 whose income exceeds the income limits for the HUSKY C health
638 program but who otherwise qualifies, to qualify for the program by
639 spending down such person's excess income over the program income
640 limits on incurred medical bills in accordance with 42 CFR 435.831.

641 (c) Not later than July 1, 2026, and annually thereafter until July 1,
642 2030, the commissioner shall file a report, in accordance with the
643 provisions of section 11-4a of the general statutes, with the joint
644 standing committees of the General Assembly having cognizance of
645 matters relating to appropriations and human services on (1) the
646 number of persons eligible for the HUSKY C health program for the
647 prior fiscal year, and (2) any increased costs incurred by the state that
648 are attributable to changes in the asset limits.

649 Sec. 10. (NEW) (*Effective January 1, 2026*) (a) As used in this section:

650 (1) "General anesthesia" has the same meaning as provided in section
651 20-123a of the general statutes; and

652 (2) "Medical necessity" has the same meaning as provided in section
653 38a-482a of the general statutes.

654 (b) No individual health insurance policy providing coverage of the
655 type specified in subdivisions (1), (2), (4), (11) and (12) of section 38a-469
656 of the general statutes delivered, issued for delivery, renewed, amended
657 or continued in this state on or after January 1, 2026, shall (1) if such
658 policy provides coverage for general anesthesia, (A) impose an arbitrary
659 time limit on reimbursement for general anesthesia provided during
660 any medically necessary procedure, or (B) deny, reduce, terminate or
661 fail to provide such reimbursement, in whole or in part, for general
662 anesthesia solely because the duration of care exceeded a predetermined
663 time limit as determined by the insurer, or (2) impose unilateral
664 arbitrary limitations on reimbursement for medically necessary
665 ancillary services.

666 (c) The medical necessity for administering general anesthesia during
667 any medical procedure shall be determined by the attending board-
668 certified anesthesiologist during such medical procedure.

669 Sec. 11. (NEW) (*Effective January 1, 2026*) (a) As used in this section:

670 (1) "General anesthesia" has the same meaning as provided in section
671 20-123a of the general statutes; and

672 (2) "Medical necessity" has the same meaning as provided in section
673 38a-482a of the general statutes.

674 (b) No group health insurance policy providing coverage of the type
675 specified in subdivisions (1), (2), (4), (11) and (12) of section 38a-469 of
676 the general statutes delivered, issued for delivery, renewed, amended
677 or continued in this state on or after January 1, 2026, shall (1) if such
678 policy provides coverage for general anesthesia, (A) impose an arbitrary
679 time limit on reimbursement for general anesthesia provided during

680 any medically necessary procedure, or (B) deny, reduce, terminate or
681 fail to provide such reimbursement, in whole or in part, for general
682 anesthesia solely because the duration of care exceeded a predetermined
683 time limit as determined by the insurer, or (2) impose unilateral
684 arbitrary limitations on reimbursement for medically necessary
685 ancillary services.

686 (c) The medical necessity for administering general anesthesia during
687 any medical procedure shall be determined by the attending board-
688 certified anesthesiologist during such medical procedure.

689 Sec. 12. (NEW) (*Effective January 1, 2026*) (a) Any stop-loss insurance
690 policy used in conjunction with a self-funded employee health benefit
691 plan shall: (1) Provide coverage for (A) essential health benefits as
692 defined in the Patient Protection and Affordable Care Act and
693 regulations adopted thereunder, and (B) the group state-mandated
694 coverage requirements under chapter 700c of the general statutes; or (2)
695 have (A) a minimum individual attachment point of not less than
696 seventy-five thousand dollars, and (B) an aggregate attachment point of
697 not less than two hundred fifty thousand dollars.

698 Sec. 13. (NEW) (*Effective from passage*) (a) Not later than thirty days
699 after the effective date of this section, the Commissioner of Social
700 Services shall petition the Secretary of the Department of Health and
701 Human Services pursuant to 28 USC 1498, as amended from time to
702 time, to authorize generic, lower cost forms of glucagon-like peptide
703 (GLP-1) prescription drugs approved by the federal Food and Drug
704 Administration to treat obesity or diabetes.

705 (b) Upon approval of such petition, the commissioner shall enter into
706 a contract with any manufacturer of generic forms of such drugs
707 approved by the federal Food and Drug Administration to supply such
708 drugs to the state for use by HUSKY Health program members. The
709 commissioner may enter into a consortium with officials in other states
710 in contracting with such manufacturer for such drugs.

711 (c) The commissioner shall develop a strategic plan to maximize
712 access to and minimize the cost of such drugs and, not later than
713 December 31, 2025, submit a report, in accordance with the provisions
714 of section 11-4a of the general statutes, on the plan to the joint standing
715 committee of the General Assembly having cognizance of matters
716 relating to human services and to the advisory committee established
717 pursuant to section 14 of this act.

718 Sec. 14. (*Effective from passage*) (a) There is established an advisory
719 committee to (1) study ways to maximize access to cost-effective
720 prescription drugs approved by the federal Food and Drug
721 Administration for the treatment of obesity, and (2) make
722 recommendations to the Commissioner of Social Services.

723 (b) The committee shall consist of the following members:

724 (1) Two patient advocates appointed by the chairperson of the
725 Council on Medical Assistance Program Oversight, established
726 pursuant to section 17b-28 of the general statutes;

727 (2) Two pharmacists enrolled as Medicaid providers, appointed by
728 the Commissioner of Social Services; and

729 (3) Two medical professionals, including at least one doctor certified
730 by the American Board of Obesity Medicine, appointed by the Senate
731 and House chairpersons of the joint standing committee of the General
732 Assembly having cognizance of matters relating to human services.

733 (c) The committee shall convene not later than thirty days after the
734 effective date of this section and choose a chairperson. The committee
735 shall meet at least bimonthly.

736 (d) The committee shall review the strategic plan developed by the
737 Commissioner of Social Services pursuant to section 13 of this act and
738 shall make recommendations to the commissioner on implementation
739 of the plan and the results of its study not later than January 31, 2026.
740 The committee shall terminate upon submission of its recommendations

741 to the commissioner or January 31, 2026, whichever is later.

742 Sec. 15. Section 17b-278l of the general statutes is repealed and the
743 following is substituted in lieu thereof (*Effective from passage*):

744 (a) (1) As used in this section, "bariatric surgery" means surgical
745 changes to the digestive system to help a patient with obesity to lose
746 weight;

747 (2) "Body mass index", or "BMI", means the number calculated by
748 dividing an individual's weight in kilograms by the individual's height
749 in meters squared;

750 (3) "Medical services" means (A) prescription drugs approved by the
751 federal Food and Drug Administration for the treatment of obesity on
752 an outpatient basis, and (B) nutritional counseling provided by a
753 registered dietitian-nutritionist certified pursuant to section 20-206n;

754 (4) "Severe obesity" means a body mass index that is:

755 (A) Greater than forty; or

756 (B) Thirty-five or more if an individual has been diagnosed with a
757 comorbid disease or condition, including, but not limited to, a
758 cardiopulmonary condition, diabetes, hypertension or sleep apnea;
759 [and]

760 (5) "Obesity" means a body mass index of thirty or higher; and

761 (6) "Weight loss drugs" means glucagon-like peptide 1 (GLP-1)
762 prescription drugs approved by the federal Food and Drug
763 Administration for weight loss or commonly used for weight loss, sleep
764 apnea or to reduce risks of cardiovascular disease.

765 (b) The Commissioner of Social Services shall provide medical
766 assistance for (1) bariatric surgery and related medical services for
767 Medicaid and HUSKY B beneficiaries with severe obesity, and (2)
768 medical services for Medicaid and HUSKY B beneficiaries with a body

769 mass index greater than thirty-five, [provided such beneficiaries
770 otherwise meet conditions set by the Centers for Medicare and Medicaid
771 Services for such surgery and medical services] including weight loss
772 drugs. The commissioner shall continue to provide Medicaid coverage
773 for beneficiaries treated with weight loss drugs if their BMI drops below
774 thirty-five and a licensed physician certifies, in writing, that their BMI
775 would increase above thirty-five if such drugs were discontinued. If
776 necessary, the commissioner may amend the Medicaid state plan and
777 the state plan for the Children's Health Insurance Program to implement
778 the provisions of this section.

779 Sec. 16. Section 38a-479ttt of the general statutes is repealed and the
780 following is substituted in lieu thereof (*Effective October 1, 2025*):

781 Not later than March 1, 2021, and annually thereafter, the
782 commissioner shall prepare a report, for the immediately preceding
783 calendar year, describing the rebate practices of health carriers. The
784 report shall contain (1) an explanation of the manner in which health
785 carriers accounted for rebates in calculating premiums for health care
786 plans delivered, issued for delivery, renewed, amended or continued
787 during such year, (2) a statement disclosing whether, and describing the
788 manner in which, health carriers made rebates available to insureds at
789 the point of purchase during such year, (3) any other manner in which
790 health carriers applied rebates during such year, (4) the percentage of
791 rebate dollars used by health carriers to reduce cost-sharing
792 requirements during such year, (5) an evaluation of rebate practices to
793 reduce cost-sharing for health care plans delivered, issued for delivery,
794 renewed, amended or continued during such year, and [(4)] (6) such
795 other information as the commissioner, in the commissioner's
796 discretion, deems relevant for the purposes of this section. The
797 commissioner shall publish a copy of the report on the department's
798 Internet web site.

799 Sec. 17. (NEW) (*Effective from passage*) As used in this section and
800 section 18 of this act:

801 (1) "340B drug" means a drug that (A) is a covered outpatient drug
802 within the meaning of 42 USC 256b; (B) has been subject to any offer for
803 reduced prices by a manufacturer under 42 USC 256b(a)(1); and (C) is
804 purchased by a covered entity. "340B drug" includes a drug that would
805 have been purchased but for the restriction or limitation described in
806 subsection (a) of section 18 of this act;

807 (2) "Biologic" has the same meaning as provided in section 21a-70d of
808 the general statutes;

809 (3) "Covered entity" means The University of Connecticut Health
810 Center, a federally qualified health center, a family planning clinic and
811 a Ryan White clinic;

812 (4) "Manufacturer" has the same meaning as provided in section 21a-
813 70 of the general statutes, except that such definition shall include
814 manufacturers of biologics;

815 (5) "Package" has the same meaning as provided in 21 USC
816 360eee(11)(A); and

817 (6) "Pharmacy" has the same meaning as provided in section 20-571
818 of the general statutes.

819 Sec. 18. (NEW) (*Effective from passage*) (a) A manufacturer, or an agent
820 or affiliate of such manufacturer, shall not, either directly or indirectly:

821 (1) Deny, restrict, prohibit, discriminate against or otherwise limit the
822 acquisition of a 340B drug by, or delivery of a 340B drug to, a pharmacy
823 that is under contract with, or otherwise authorized by, a covered entity
824 to receive 340B drugs on behalf of the covered entity unless such receipt
825 is prohibited under federal law; or

826 (2) Require a covered entity, or a pharmacy that is under contract
827 with a covered entity, to submit any claims or utilization data as a
828 condition for allowing the acquisition of a 340B drug by, or delivery of
829 a 340B drug to, a covered entity, or a pharmacy that is under contract

830 with a covered entity, unless the claims or utilization data sharing is
831 required by the United States Department of Health and Human
832 Services.

833 (b) (1) On and after July 1, 2025, if the Commissioner of Consumer
834 Protection receives information and has a reasonable belief, after
835 evaluating such information, that any manufacturer, or an agent or
836 affiliate of such manufacturer, has acted in violation of any provision of
837 this section or regulation adopted thereunder, such manufacturer, or an
838 agent or affiliate of such manufacturer, shall be subject to a civil penalty
839 of not more than fifty thousand dollars for each violation. The
840 commissioner shall issue a notice of violation and civil penalty and may
841 issue such notice by first-class mail or personal service. Such notice shall
842 include: (A) A reference to the section of the general statutes or
843 regulation of Connecticut state agencies believed or alleged to have been
844 violated; (B) a short and plain-language statement of the matters
845 asserted or charged; (C) a description of the activity to cease; (D) a
846 statement of the amount of the civil penalty or penalties that may be
847 imposed; (E) a statement concerning the right to a hearing; and (F) a
848 statement that such manufacturer, or an agent or affiliate of such
849 manufacturer, may, not later than ten business days after receipt of such
850 notice, make a request for a hearing on the matters asserted.

851 (2) The manufacturer, or an agent or affiliate of such manufacturer,
852 to whom such notice is provided pursuant to subparagraph (A) of
853 subdivision (1) of this subsection may, not later than ten business days
854 after receipt of such notice, make written application to the Department
855 of Consumer Protection to request a hearing to demonstrate that such
856 violation did not occur. The failure to make a timely request for a
857 hearing shall result in the issuance of a cease and desist order or
858 imposition of a civil penalty by the department. All hearings held under
859 this subsection shall be conducted in accordance with the provisions for
860 contested cases under chapter 54 of the general statutes.

861 (3) Following any hearing before the Department of Consumer

862 Protection pursuant to subdivision (2) of this subsection, if the
863 department finds, by a preponderance of the evidence, that any
864 manufacturer, or an agent or affiliate of such manufacturer, violated or
865 is violating any provision of this subsection, any regulation adopted
866 thereunder or any order issued by the department, the department shall
867 issue a final cease and desist order in addition to any civil penalty the
868 department imposes.

869 (c) Nothing in this section shall be construed or applied to be in
870 conflict with or less restrictive than:

871 (1) Applicable federal law and related regulations, including 21 USC
872 355-1, as amended from time to time; or

873 (2) Other laws of this state to the extent such laws are compatible with
874 applicable federal law.

875 (d) The Commissioner of Consumer Protection shall adopt
876 regulations in accordance with the provisions of chapter 54 of the
877 general statutes to implement the provisions of this section.

878 Sec. 19. (NEW) (*Effective July 1, 2025*) (a) As used in this section, "pay
879 to delay" means an agreement between a pharmaceutical manufacturer
880 and a competitor to delay the launch of a generic drug based on an
881 expiring or expired patent for a drug made by the pharmaceutical
882 manufacturer.

883 (b) A pharmaceutical manufacturer doing business in this state shall
884 annually report to the Commissioner of Consumer Protection any "pay
885 to delay" agreements such manufacturer has with any competitor and
886 the prescription drugs included in such agreement. A pharmaceutical
887 manufacturer shall make such reports in a form and manner prescribed
888 by the commissioner.

889 (c) The commissioner shall adopt regulations, in accordance with the
890 provisions of chapter 54 of the general statutes, to implement the
891 provisions of this section and may establish penalties and an

892 administrative hearing process in accordance with chapter 54 of the
893 general statutes for a pharmaceutical manufacturer that violates the
894 provisions of this section.

895 Sec. 20. (NEW) (*Effective January 1, 2026*) (a) As used in this section:

896 (1) "Health benefit plan" has the same meaning as provided in section
897 38a-472f of the general statutes;

898 (2) "Insulin" means an insulin product, including, but not limited to,
899 an insulin pen or vial, that is licensed under 42 USC 262(a) or 42 USC
900 262(k), as amended from time to time;

901 (3) "Eligible insulin product" means an insulin product for which at
902 least two licenses have been issued and continues to be marketed
903 pursuant to such licensure;

904 (4) "Net cost" means the cost of an insulin product taking into account
905 rebates or discounts for that specific product, excluding (A) rebates or
906 discounts required by state or federal law, including Medicaid,
907 Medicare and Section 340B of the Public Health Service Act, 42 USC
908 256b, as amended from time to time, and (B) rebates or discounts related
909 to portfolio agreements that relate to purchase of multiple insulin
910 products or other drugs;

911 (5) "State entity" means any state agency, or any person acting on
912 behalf of the state, that purchases a prescription drug for an individual
913 with health insurance paid for by the state, including health insurance
914 offered by local, state or federal agencies, or through organizations
915 licensed in the state;

916 (6) "Wholesale acquisition cost" means the price of a medication set
917 by a pharmaceutical manufacturer in the United States when selling to
918 a wholesaler; and

919 (7) "Wholesaler" means a wholesaler, as defined in section 21a-70 of
920 the general statutes, that has received a certificate of registration from

921 the Commissioner of Consumer Protection pursuant to said section.

922 (b) A state entity and health benefit plan shall, except as otherwise
923 required in any collective bargaining agreement affecting the state
924 employee health plan established pursuant to section 5-259 of the
925 general statutes, make available in a preferred tier with no copayment
926 or out-of-pocket cost an eligible insulin product at the lowest wholesale
927 acquisition cost to a beneficiary. Notwithstanding the provisions of this
928 section, if a state entity or health benefit plan determines that another
929 eligible insulin product has a lower net cost than the lowest wholesale
930 acquisition cost, such entity or health plan may offer that product with
931 no out-of-pocket payment to a beneficiary of such state entity or health
932 benefit plan. Nothing in this section shall prevent such entity or health
933 benefit plan from covering more than one eligible insulin product in a
934 preferred tier with no copayment or out-of-pocket cost to a beneficiary
935 of such entity or health benefit plan.

936 Sec. 21. Section 38a-492d of the general statutes is repealed and the
937 following is substituted in lieu thereof (*Effective January 1, 2026*):

938 (a) For the purposes of this section:

939 (1) "Diabetes device" has the same meaning as provided in section 20-
940 616;

941 (2) "Diabetic ketoacidosis device" has the same meaning as provided
942 in section 20-616;

943 (3) "Glucagon drug" has the same meaning as provided in section 20-
944 616;

945 (4) "High deductible health plan" has the same meaning as that term
946 is used in subsection (f) of section 38a-493;

947 (5) "Insulin drug" has the same meaning as provided in section 20-
948 616;

949 (6) "Noninsulin drug" means a drug, including, but not limited to, a
950 glucagon drug, glucose tablet or glucose gel, that does not contain
951 insulin and is approved by the federal Food and Drug Administration
952 to treat diabetes; and

953 (7) "Prescribing practitioner" has the same meaning as provided in
954 section 20-571.

955 (b) Notwithstanding the provisions of section 38a-492a, each
956 individual health insurance policy providing coverage of the type
957 specified in subdivisions (1), (2), (4), (11) and (12) of section 38a-469
958 delivered, issued for delivery, renewed, amended or continued in this
959 state shall provide coverage for the treatment of all types of diabetes.
960 Such coverage shall include, but need not be limited to, coverage for
961 medically necessary:

962 (1) Laboratory and diagnostic testing and screening, including, but
963 not limited to, hemoglobin A1c testing and retinopathy screening, for
964 all types of diabetes;

965 (2) Insulin drugs (A) prescribed by a prescribing practitioner, or (B)
966 prescribed and dispensed pursuant to subsection (d) of section 20-616
967 once during a policy year;

968 (3) Noninsulin drugs (A) prescribed by a prescribing practitioner, or
969 (B) prescribed and dispensed pursuant to subsection (d) of section 20-
970 616 once during a policy year if the noninsulin drug is a glucagon drug;

971 (4) Diabetes devices in accordance with the insured's diabetes
972 treatment plan, including, but not limited to, diabetes devices
973 prescribed and dispensed pursuant to subsection (d) of section 20-616
974 once during a policy year; and

975 (5) Diabetic ketoacidosis devices in accordance with the insured's
976 diabetes treatment plan, including, but not limited to, diabetic
977 ketoacidosis devices prescribed and dispensed pursuant to subsection
978 (d) of section 20-616 once during a policy year.

979 (c) Notwithstanding the provisions of section 38a-492a, no policy
980 described in subsection (b) of this section shall impose coinsurance,
981 copayments, deductibles and other out-of-pocket expenses on an
982 insured that exceed:

983 (1) Twenty-five dollars for each thirty-day supply of a medically
984 necessary covered insulin drug (A) prescribed to the insured by a
985 prescribing practitioner, or (B) prescribed and dispensed pursuant to
986 subsection (d) of section 20-616 once during a policy year;

987 (2) Twenty-five dollars for each thirty-day supply of a medically
988 necessary covered noninsulin drug (A) prescribed to the insured by a
989 prescribing practitioner, or (B) prescribed and dispensed pursuant to
990 subsection (d) of section 20-616 once during a policy year if such
991 noninsulin drug is a glucagon drug;

992 (3) One hundred dollars for a thirty-day supply of all medically
993 necessary covered diabetes devices and diabetic ketoacidosis devices for
994 such insured that are in accordance with such insured's diabetes
995 treatment plan, including, but not limited to, diabetes devices and
996 diabetic ketoacidosis devices prescribed and dispensed pursuant to
997 subsection (d) of section 20-616 once during a policy year.

998 (d) Notwithstanding the provisions of subsection (c) of this section
999 and section 38a-492a, on and after January 1, 2026, any policy described
1000 in subsection (b) of this section shall make available in a preferred tier
1001 with no copayment or out-of-pocket cost an eligible insulin product, as
1002 defined in section 20 of this act, at the lowest wholesale acquisition cost
1003 in accordance with section 20 of this act.

1004 ~~[(d)]~~ (e) The provisions of ~~[subsection (c)]~~ subsections (c) and (d) of
1005 this section shall apply to a high deductible health plan to the maximum
1006 extent permitted by federal law, except if such plan is used to establish
1007 a medical savings account or an Archer MSA pursuant to Section 220 of
1008 the Internal Revenue Code of 1986, or any subsequent corresponding
1009 internal revenue code of the United States, as amended from time to

1010 time, or a health savings account pursuant to Section 223 of said Internal
1011 Revenue Code, as amended from time to time, the provisions of said
1012 [subsection (c)] subsections shall apply to such plan to the maximum
1013 extent that (1) is permitted by federal law, and (2) does not disqualify
1014 such account for the deduction allowed under said Section 220 or 223,
1015 as applicable.

1016 Sec. 22. Section 38a-518d of the general statutes is repealed and the
1017 following is substituted in lieu thereof (*Effective January 1, 2026*):

1018 (a) For the purposes of this section:

1019 (1) "Diabetes device" has the same meaning as provided in section 20-
1020 616;

1021 (2) "Diabetic ketoacidosis device" has the same meaning as provided
1022 in section 20-616;

1023 (3) "Glucagon drug" has the same meaning as provided in section 20-
1024 616;

1025 (4) "High deductible health plan" has the same meaning as that term
1026 is used in subsection (f) of section 38a-520;

1027 (5) "Insulin drug" has the same meaning as provided in section 20-
1028 616;

1029 (6) "Noninsulin drug" means a drug, including, but not limited to, a
1030 glucagon drug, glucose tablet or glucose gel, that does not contain
1031 insulin and is approved by the federal Food and Drug Administration
1032 to treat diabetes; and

1033 (7) "Prescribing practitioner" has the same meaning as provided in
1034 section 20-571.

1035 (b) Notwithstanding the provisions of section 38a-518a, each group
1036 health insurance policy providing coverage of the type specified in
1037 subdivisions (1), (2), (4), (11) and (12) of section 38a-469 delivered,

1038 issued for delivery, renewed, amended or continued in this state shall
1039 provide coverage for the treatment of all types of diabetes. Such
1040 coverage shall include, but need not be limited to, coverage for
1041 medically necessary:

1042 (1) Laboratory and diagnostic testing and screening, including, but
1043 not limited to, hemoglobin A1c testing and retinopathy screening, for
1044 all types of diabetes;

1045 (2) Insulin drugs (A) prescribed by a prescribing practitioner, or (B)
1046 prescribed and dispensed pursuant to subsection (d) of section 20-616
1047 once during a policy year;

1048 (3) Noninsulin drugs (A) prescribed by a prescribing practitioner, or
1049 (B) prescribed and dispensed pursuant to subsection (d) of section 20-
1050 616 once during a policy year if the noninsulin drug is a glucagon drug;

1051 (4) Diabetes devices in accordance with the insured's diabetes
1052 treatment plan, including, but not limited to, diabetes devices
1053 prescribed and dispensed pursuant to subsection (d) of section 20-616
1054 once during a policy year; and

1055 (5) Diabetic ketoacidosis devices in accordance with the insured's
1056 diabetes treatment plan, including, but not limited to, diabetic
1057 ketoacidosis devices prescribed and dispensed pursuant to subsection
1058 (d) of section 20-616 once during a policy year.

1059 (c) Notwithstanding the provisions of section 38a-518a, no policy
1060 described in subsection (b) of this section shall impose coinsurance,
1061 copayments, deductibles and other out-of-pocket expenses on an
1062 insured that exceed:

1063 (1) Twenty-five dollars for each thirty-day supply of a medically
1064 necessary covered insulin drug (A) prescribed to the insured by a
1065 prescribing practitioner, or (B) prescribed and dispensed pursuant to
1066 subsection (d) of section 20-616 once during a policy year;

1067 (2) Twenty-five dollars for each thirty-day supply of a medically
1068 necessary covered noninsulin drug (A) prescribed to the insured by a
1069 prescribing practitioner, or (B) prescribed and dispensed pursuant to
1070 subsection (d) of section 20-616 once during a policy year if such
1071 noninsulin drug is a glucagon drug;

1072 (3) One hundred dollars for a thirty-day supply of all medically
1073 necessary covered diabetes devices and diabetic ketoacidosis devices for
1074 such insured that are in accordance with such insured's diabetes
1075 treatment plan, including, but not limited to, diabetes devices and
1076 diabetic ketoacidosis devices prescribed and dispensed pursuant to
1077 subsection (d) of section 20-616 once during a policy year.

1078 (d) Notwithstanding the provisions of subsection (c) of this section
1079 and section 38a-492a, on and after January 1, 2026, any policy described
1080 in subsection (b) of this section shall make available in a preferred tier
1081 with no copayment or out-of-pocket cost an eligible insulin product, as
1082 defined in section 20 of this act, at the lowest wholesale acquisition cost
1083 in accordance with section 20 of this act.

1084 ~~[(d)]~~ (e) The provisions of ~~[subsection (c)]~~ subsections (c) and (d) of
1085 this section shall apply to a high deductible health plan to the maximum
1086 extent permitted by federal law, except if such plan is used to establish
1087 a medical savings account or an Archer MSA pursuant to Section 220 of
1088 the Internal Revenue Code of 1986, or any subsequent corresponding
1089 internal revenue code of the United States, as amended from time to
1090 time, or a health savings account pursuant to Section 223 of said Internal
1091 Revenue Code, as amended from time to time, the provisions of said
1092 ~~[subsection (c)]~~ subsections shall apply to such plan to the maximum
1093 extent that (1) is permitted by federal law, and (2) does not disqualify
1094 such account for the deduction allowed under said Section 220 or 223,
1095 as applicable.

1096 Sec. 23. (NEW) (*Effective October 1, 2025*) (a) Any pharmacy benefits
1097 manager shall owe a fiduciary duty to any health carrier, as defined in
1098 section 38a-591a of the general statutes, or other health benefit plan

1099 sponsor.

1100 (b) Any pharmacy benefits manager shall notify the health carrier or
1101 other health benefit plan sponsor, in writing, of any activity, policy or
1102 practice of such pharmacy benefits manager that directly or indirectly
1103 presents any conflict of interest with the duties imposed by this section.

1104 (c) Any pharmacy benefits manager shall have an obligation of good
1105 faith and fair dealing in performing such pharmacy benefits manager's
1106 duties with all parties, including, but not limited to, a health carrier or
1107 other health benefit plan sponsor with whom such pharmacy benefits
1108 manager interacts in the performance of pharmacy benefit management
1109 services.

1110 (d) Notwithstanding any provision of title 38a of the general statutes
1111 and to the maximum extent permitted by applicable law, no contract
1112 entered into or amended by a health carrier shall contain any provision
1113 that permits or requires any party to such contract to violate the
1114 fiduciary duty that such health carrier owes to such health carrier's
1115 covered persons.

1116 (e) Any violation of the provisions of this section shall constitute a
1117 violation of the Connecticut Unfair Insurance Practices Act established
1118 pursuant to section 38a-815 of the general statutes.

1119 (f) The Insurance Commissioner may adopt regulations, in
1120 accordance with the provisions of chapter 54 of the general statutes, to
1121 implement the provisions of this section.

1122 Sec. 24. Section 38a-477cc of the general statutes is repealed and the
1123 following is substituted in lieu thereof (*Effective January 1, 2026*):

1124 (a) No contract for pharmacy services entered into in the state
1125 between a health carrier, as defined in section 38a-591a, or pharmacy
1126 benefits manager, as defined in section 38a-479aaa, and a pharmacy or
1127 pharmacist shall:

1128 (1) On and after January 1, 2018, contain a provision prohibiting or
1129 penalizing, including through increased utilization review, reduced
1130 payments or other financial disincentives, a pharmacist's disclosure to
1131 an individual purchasing prescription medication of information
1132 regarding:

1133 (A) The cost of the prescription medication to the individual; or

1134 (B) The availability of any therapeutically equivalent alternative
1135 medications or alternative methods of purchasing the prescription
1136 medication, including, but not limited to, paying a cash price, that are
1137 less expensive than the cost of the prescription medication to the
1138 individual; [and]

1139 (2) On and after January 1, 2020, contain a provision permitting the
1140 health carrier or pharmacy benefits manager to recoup, directly or
1141 indirectly, from a pharmacy or pharmacist any portion of a claim that
1142 such health carrier or pharmacy benefits manager has paid to the
1143 pharmacy or pharmacist, unless such recoupment is permitted under
1144 section 38a-479iii or required by applicable law;

1145 (3) On and after January 1, 2026, contain a provision permitting the
1146 pharmacy benefits manager to charge a health benefit plan in this state
1147 a contracted price for any pharmacy services that differs from the
1148 amount such pharmacy benefits manager, directly or indirectly, pays
1149 the pharmacy for such pharmacy services; and

1150 (4) On and after January 1, 2026, contain a provision permitting the
1151 pharmacy benefits manager to charge a health benefit plan, directly or
1152 indirectly, a fee that is conditioned on the (A) wholesale acquisition cost
1153 or any other price metric for a prescription drug, (B) amount of savings,
1154 rebates or other fees charged, realized, collected by or generated based
1155 on the business practices of such pharmacy benefits manager, or (C)
1156 amount of premiums charged or cost-sharing requirements pursuant to
1157 such health benefit plan that are realized or collected by such pharmacy
1158 benefits manager from covered persons. For the purposes of this

1159 subdivision, "wholesale acquisition cost" means the price of a
1160 medication set by a pharmaceutical manufacturer in the United States
1161 when selling to a wholesaler.

1162 (b) (1) On and after January 1, 2018, no health carrier or pharmacy
1163 benefits manager shall require an individual to make a payment at the
1164 point of sale for a covered prescription medication in an amount greater
1165 than the lesser of:

1166 (A) The applicable copayment for such prescription medication;

1167 (B) The allowable claim amount for the prescription medication; or

1168 (C) The amount an individual would pay for the prescription
1169 medication if the individual purchased the prescription medication
1170 without using a health benefit plan, as defined in section 38a-591a, or
1171 any other source of prescription medication benefits or discounts.

1172 (2) For the purposes of this subsection, "allowable claim amount"
1173 means the amount the health carrier or pharmacy benefits manager has
1174 agreed to pay the pharmacy for the prescription medication.

1175 (c) Any provision of a contract that violates the provisions of this
1176 section shall be void and unenforceable. Any general business practice
1177 that violates the provisions of this section shall constitute an unfair trade
1178 practice pursuant to chapter 735a. The invalidity or unenforceability of
1179 any contract provision under this subsection shall not affect any other
1180 provision of the contract.

1181 (d) The Insurance Commissioner may:

1182 (1) Enforce the provisions of this section pursuant to chapter 697; and

1183 (2) Upon request, audit a contract for pharmacy services for
1184 compliance with the provisions of this section.

1185 Sec. 25. Section 38a-479ttt of the general statutes is repealed and the
1186 following is substituted in lieu thereof (*Effective October 1, 2025*):

1187 Not later than March 1, 2021, and annually thereafter, the
1188 commissioner shall prepare a report, for the immediately preceding
1189 calendar year, describing the rebate practices of health carriers. The
1190 report shall contain (1) an explanation of the manner in which health
1191 carriers accounted for rebates in calculating premiums for health care
1192 plans delivered, issued for delivery, renewed, amended or continued
1193 during such year, (2) a statement disclosing whether, and describing the
1194 manner in which, health carriers made rebates available to insureds at
1195 the point of purchase during such year, (3) any other manner in which
1196 health carriers applied rebates during such year, (4) the percentage of
1197 rebate dollars used by health carriers to reduce cost-sharing
1198 requirements during such year, (5) an evaluation of rebate practices to
1199 reduce cost-sharing for health care plans delivered, issued for delivery,
1200 renewed, amended or continued during such year, and [(4)] (6) such
1201 other information as the commissioner, in the commissioner's
1202 discretion, deems relevant for the purposes of this section. The
1203 commissioner shall publish a copy of the report on the department's
1204 Internet web site.

1205 Sec. 26. (NEW) (*Effective July 1, 2025*) (a) The Insurance Commissioner
1206 shall require any health carrier, as defined in section 38a-591a of the
1207 general statutes, to report to the commissioner annually on pricing
1208 offered to and profit generated between such carrier and any pharmacy
1209 benefits manager or mail-order pharmacy doing business with such
1210 carrier.

1211 (b) The commissioner shall post a link on the Internet web site of the
1212 Insurance Department to such reports filed pursuant to subsection (a)
1213 of this section.

1214 Sec. 27. (*Effective July 1, 2025*) For the purposes of this section and
1215 sections 28 to 36, inclusive, of this act, unless the context otherwise
1216 requires:

1217 (1) "Canadian supplier" means a manufacturer or wholesale drug
1218 distributor that is licensed or permitted under applicable Canadian law

1219 to manufacture or distribute prescription drugs;

1220 (2) "Canadian prescription drug importation program" or "program"
1221 means a program under which the state would seek federal approval to
1222 import prescription drugs from Canada that have the highest potential
1223 for cost savings in the state;

1224 (3) "Department" means the Department of Consumer Protection;

1225 (4) "Drug" means an article that is (A) recognized in the official United
1226 States Pharmacopoeia, official Homeopathic Pharmacopoeia of the
1227 United States or official National Formulary, or any supplement thereto,
1228 (B) intended for use in the diagnosis, cure, mitigation, treatment or
1229 prevention of disease in humans, (C) not food and intended to affect the
1230 structure or any function of the human body, and (D) not a device and
1231 intended for use as a component of any article specified in
1232 subparagraphs (A) to (C), inclusive, of this subdivision;

1233 (5) "Drug Quality and Security Act" means the federal Drug Quality
1234 and Security Act, 21 USC 351, et seq., as amended from time to time;

1235 (6) "Food, Drug and Cosmetic Act" means the federal Food, Drug and
1236 Cosmetic Act, 21 USC 301, et seq., as amended by the Drug Quality and
1237 Security Act, as both may be amended from time to time;

1238 (7) "Qualifying laboratory" has the same meaning as provided in 21
1239 CFR 251.2;

1240 (8) "Laboratory testing" means a quantitative and qualitative analysis
1241 of a drug consistent with the applicable provisions of the official United
1242 States Pharmacopoeia;

1243 (9) "Participating Canadian supplier" means a Canadian supplier that
1244 is exporting prescription drugs, in the manufacturer's original
1245 container, to a participating wholesaler for distribution in this state
1246 under the program;

1247 (10) "Participating wholesaler" means a wholesaler that is (A)
1248 designated by the Department of Consumer Protection to distribute
1249 prescription drugs in the manufacturer's original container, obtained
1250 from a participating Canadian supplier, and (B) participating in the
1251 program;

1252 (11) "Recall" means a person's removal or correction of a marketed
1253 product that the department determines is in violation of this section,
1254 but "recall" does not include a market withdrawal or a stock recovery,
1255 as such terms are defined in 21 CFR 7.3;

1256 (12) "Relabeler" has the same meaning as provided in 21 CFR 207.1;

1257 (13) "Repacker" has the same meaning as provided in 21 CFR 207.1;

1258 (14) "Track-and-trace" means the product tracing process for the
1259 components of the pharmaceutical distribution supply chain as
1260 described in Title II of the Drug Quality and Security Act; and

1261 (15) "Wholesaler" means a wholesaler, as defined in section 21a-70 of
1262 the general statutes, that has received a certificate of registration from
1263 the Commissioner of Consumer Protection pursuant to said section.

1264 Sec. 28. (*Effective July 1, 2025*) The Commissioner of Consumer
1265 Protection shall hire, within available resources, a consultant to study
1266 the feasibility of establishing a Canadian prescription drug importation
1267 program to reduce prescription drug costs in the state. Not later than
1268 October 1, 2027, the commissioner shall file a report, in accordance with
1269 the provisions of section 11-4a of the general statutes, with the joint
1270 standing committees of the General Assembly having cognizance of
1271 matters relating to appropriations and the budgets of state agencies,
1272 general law and human services and the Office of Policy and
1273 Management on the results of the feasibility study.

1274 Sec. 29. (*Effective October 1, 2027*) (a) If after completion of the study
1275 described in section 28 of this act, the Commissioner of Consumer
1276 Protection, in consultation with the Secretary of the Office of Policy and

1277 Management, determines a Canadian prescription drug importation
1278 program is feasible, the Commissioner of Consumer Protection may
1279 submit a request to the federal Food and Drug Administration seeking
1280 approval for the program under Section 804 of the federal Food, Drug
1281 and Cosmetic Act, 21 USC 384(b) to 21 USC 384(h), inclusive, as
1282 amended from time to time. If submitted, such request shall, at a
1283 minimum:

1284 (1) Describe the state's plans for operating the program and describe
1285 any opportunities to coordinate or operate the program in coordination
1286 with other states;

1287 (2) Demonstrate that any prescription drug that is imported and
1288 distributed in this state under the program would:

1289 (A) Meet all applicable federal and state standards for safety and
1290 effectiveness; and

1291 (B) Comply with all federal tracing procedures; and

1292 (3) State the estimated costs of implementing the program.

1293 (b) If the federal Food and Drug Administration approves the
1294 request, the Commissioner of Consumer Protection shall:

1295 (1) Submit to the Secretary of the Office of Policy and Management,
1296 and the Commissioners of Social Services and Health Strategy, a notice
1297 disclosing that the federal Food and Drug Administration approved
1298 such request; and

1299 (2) Submit to the joint standing committees of the General Assembly
1300 having cognizance of matters relating to appropriations and the budgets
1301 of state agencies, general law, human services and public health a notice
1302 disclosing that the federal Food and Drug Administration approved
1303 such request.

1304 (c) The Commissioner of Consumer Protection shall not operate the

1305 program unless the federal Food and Drug Administration approves the
1306 request. Notwithstanding the foregoing, the department may expend
1307 resources in advance of such approval to ensure efficient
1308 implementation.

1309 Sec. 30. (*Effective October 1, 2027*) If the Canadian prescription drug
1310 importation program is established, each participating wholesaler may
1311 import and distribute a prescription drug in this state from a
1312 participating Canadian supplier under the program if:

1313 (1) Such drug meets the federal Food and Drug Administration's
1314 standards concerning drug safety, effectiveness, misbranding and
1315 adulteration;

1316 (2) Importing such drug would not violate federal patent laws; and

1317 (3) Such drug is not:

1318 (A) A controlled substance, as defined in 21 USC 802, as amended
1319 from time to time;

1320 (B) A biological product, as defined in 42 USC 262, as amended from
1321 time to time;

1322 (C) An infused drug;

1323 (D) An intravenously injected drug;

1324 (E) A drug that is inhaled during surgery; or

1325 (F) A drug that is a parenteral drug, the importation of which is
1326 determined by the federal Secretary of Health and Human Services to
1327 pose a threat to the public health.

1328 Sec. 31. (*Effective October 1, 2027*) If a Canadian prescription drug
1329 importation program is established, participating wholesalers may,
1330 subject to the provisions of sections 32 and 33 of this act, import and
1331 distribute drugs in this state from a participating Canadian supplier

1332 under the program to:

1333 (1) A pharmacy or institutional pharmacy, as defined in section 20-
1334 571 of the general statutes; and

1335 (2) A qualifying laboratory.

1336 Sec. 32. (*Effective October 1, 2027*) If a Canadian prescription drug
1337 importation program is established, the Commissioner of Consumer
1338 Protection shall require that each participating Canadian supplier and
1339 participating wholesaler (1) comply with all applicable track-and-trace
1340 requirements, and shall not distribute, dispense or sell outside of this
1341 state any prescription drug that is imported into this state under the
1342 program, and (2) make available to the commissioner all track-and-trace
1343 records not later than forty-eight hours after the commissioner requests
1344 such records.

1345 Sec. 33. (*Effective October 1, 2027*) (a) A participating wholesaler in any
1346 approved Canadian prescription drug importation program shall
1347 ensure the safety and quality of all drugs that may be imported and
1348 distributed in this state under the program. The participating
1349 wholesaler shall, if such program is established:

1350 (1) For each initial shipment of a drug that is imported into this state
1351 by a participating wholesaler, ensure that a qualifying laboratory
1352 engaged by the participating wholesaler tests a statistically valid sample
1353 size for each batch of each drug in such shipment for authenticity and
1354 degradation in a manner that is consistent with the Food, Drug and
1355 Cosmetic Act;

1356 (2) For each shipment of a drug that is imported into this state by a
1357 participating wholesaler and has been sampled and tested pursuant to
1358 subdivision (1) of this subsection, ensure that a qualifying laboratory
1359 engaged by the participating wholesaler tests a statistically valid sample
1360 of such shipment for authenticity and degradation in a manner that is
1361 consistent with the Food, Drug and Cosmetic Act;

1362 (3) Only import drugs into this state that are (A) approved for
1363 marketing in the United States, (B) not adulterated or misbranded, and
1364 (C) meet all of the labeling requirements under 21 USC 352, as amended
1365 from time to time;

1366 (4) Maintain qualifying laboratory records, including, but not limited
1367 to, complete data derived from all tests necessary to ensure that each
1368 drug imported into this state under any approved Canadian
1369 prescription drug importation program is in compliance with the
1370 requirements of this section; and

1371 (5) Maintain documentation demonstrating that the testing required
1372 by this section was conducted at a qualifying laboratory in accordance
1373 with the Food, Drug and Cosmetic Act and all other applicable federal
1374 and state laws and regulations concerning qualifying laboratory
1375 qualifications.

1376 (b) The participating wholesaler shall maintain all information and
1377 documentation pursuant to this section for a period of not less than three
1378 years from the date of submission of such information and
1379 documentation to the participating wholesaler by a qualifying
1380 laboratory.

1381 (c) Each participating wholesaler shall maintain all of the following
1382 information for each drug that such participating wholesaler imports
1383 and distributes in this state under the program, and submit such
1384 information to the Commissioner of Consumer Protection upon request
1385 by the commissioner:

1386 (1) The name and quantity of the active ingredient of such drug;

1387 (2) A description of the dosage form of such drug;

1388 (3) The date on which such participating wholesaler received such
1389 drug;

1390 (4) The quantity of such drug that such participating wholesaler

1391 received;

1392 (5) The point of origin and destination of such drug;

1393 (6) The price paid by such participating wholesaler for such drug;

1394 (7) A report regarding any drug that fails qualifying laboratory
1395 testing; and

1396 (8) Such additional information and documentation that the
1397 commissioner deems necessary to ensure the protection of the public
1398 health.

1399 (d) The Commissioner of Consumer Protection shall require each
1400 participating Canadian supplier in any approved Canadian prescription
1401 drug importation program to maintain the following information and
1402 documentation and, upon request by the commissioner, submit such
1403 information and documentation to the commissioner for each drug that
1404 such participating Canadian supplier exports into this state under the
1405 program:

1406 (1) The original source of such drug, including, but not limited to:

1407 (A) The name of the manufacturer of such drug;

1408 (B) The date on which such drug was manufactured; and

1409 (C) The location where such drug was manufactured;

1410 (2) The date on which such drug was shipped;

1411 (3) The quantity of such drug that was shipped;

1412 (4) The quantity of each lot of such drug originally received and the
1413 source of such lot;

1414 (5) The lot or control number and the batch number assigned to such
1415 drug by the manufacturer; and

1416 (6) Such additional information and documentation that the
1417 Commissioner of Consumer Protection deems necessary to ensure the
1418 protection of the public health.

1419 Sec. 34. (*Effective October 1, 2027*) (a) If the Commissioner of Consumer
1420 Protection determines that public health, safety or welfare requires
1421 emergency action, the commissioner may order a participating
1422 Canadian supplier, participating wholesaler, relabeler, repacker and
1423 qualifying laboratory to cease and desist from actions specified in the
1424 order that create the need for such emergency action pending
1425 administrative proceedings. Such cease and desist order shall be (1) in
1426 writing; (2) signed by the Commissioner of Consumer Protection; and
1427 (3) effective upon delivery to the respondent. An administrative
1428 proceeding in accordance with chapter 54 of the general statutes shall
1429 be promptly instituted following a cease and desist order. The
1430 commissioner may impose a civil penalty, in an amount not to exceed
1431 ten thousand dollars, after a hearing conducted pursuant to chapter 54
1432 of the general statutes.

1433 (b) The commissioner may require the recall, embargo or destruction,
1434 pursuant to section 21a-96 of the general statutes, of any drug that was
1435 imported and distributed under the program and has been identified as
1436 adulterated, within the meaning of section 21a-105 of the general
1437 statutes, or misbranded.

1438 (c) In the event of a cease and desist, recall, embargo or destruction
1439 order, the person adversely impacted by such order shall provide
1440 written notice to all other businesses participating in the program,
1441 informing them of the order.

1442 Sec. 35. (*Effective October 1, 2027*) If a Canadian prescription drug
1443 importation program is established, the Commissioner of Consumer
1444 Protection may adopt regulations in accordance with the provisions of
1445 chapter 54 of the general statutes to implement the provisions of sections
1446 30 to 34, inclusive, of this act.

1447 Sec. 36. (*Effective October 1, 2027*) Not later than one hundred eighty
1448 days after the first importation of any Canadian prescription drug under
1449 the importation program begins, and biannually thereafter, the
1450 Commissioner of Consumer Protection shall submit a report, in
1451 accordance with the provisions of section 11-4a of the general statutes,
1452 to the joint standing committees of the General Assembly having
1453 cognizance of matters relating to appropriations and the budgets of state
1454 agencies, general law, human services and public health. Such report
1455 shall describe (1) the operation of the program, if established, and (2)
1456 any violation of sections 30 to 34, inclusive, of this act that resulted in
1457 any action taken by the commissioner pursuant to section 34 of this act
1458 and the status of the investigation into such violation.

1459 Sec. 37. (NEW) (*Effective from passage*) (a) There is established a task
1460 force to study emergency preparedness and mitigation strategies for
1461 prescription drug shortages. The task force shall identify prescription
1462 drugs at risk of shortage in this state and make recommendations
1463 pursuant to subsection (g) of this section.

1464 (b) The task force shall consist of the following members:

1465 (1) Two appointed by the speaker of the House of Representatives,
1466 one of whom has expertise in prescription drug supply chains and one
1467 of whom has expertise in federal law concerning prescription drug
1468 shortages;

1469 (2) Two appointed by the president pro tempore of the Senate, one of
1470 whom represents hospitals and one of whom represents health care
1471 providers who treat patients with rare diseases;

1472 (3) One appointed by the majority leader of the House of
1473 Representatives, who represents one of the two federally recognized
1474 Indian tribes in the state;

1475 (4) One appointed by the majority leader of the Senate, who
1476 represents one of the two federally recognized Indian tribes in the state;

1477 (5) One appointed by the minority leader of the House of
1478 Representatives;

1479 (6) One appointed by the minority leader of the Senate;

1480 (7) The Commissioner of Health Strategy, or the commissioner's
1481 designee;

1482 (8) The Commissioner of Consumer Protection, or the commissioner's
1483 designee;

1484 (9) The Commissioner of Social Services, or the commissioner's
1485 designee;

1486 (10) The Commissioner of Public Health, or the commissioner's
1487 designee;

1488 (11) The chief executive officer of The University of Connecticut
1489 Health Center, or the chief executive officer's designee;

1490 (12) The Insurance Commissioner, or the commissioner's designee;
1491 and

1492 (13) The Commissioner of Economic and Community Development,
1493 or the commissioner's designee.

1494 (c) Any member of the task force appointed under subdivision (1),
1495 (2), (3), (4), (5) or (6) of subsection (b) of this section may be a member
1496 of the General Assembly.

1497 (d) All initial appointments to the task force shall be made not later
1498 than thirty days after the effective date of this section. Any vacancy shall
1499 be filled by the appointing authority.

1500 (e) The speaker of the House of Representatives and the president pro
1501 tempore of the Senate shall select the chairpersons of the task force from
1502 among the members of the task force. Such chairpersons shall schedule
1503 the first meeting of the task force, which shall be held not later than sixty

1504 days after the effective date of this section.

1505 (f) The administrative staff of the joint standing committee of the
1506 General Assembly having cognizance of matters relating to human
1507 services shall serve as administrative staff of the task force.

1508 (g) Not later than January 1, 2026, and annually thereafter, the task
1509 force shall submit a report on its findings and recommendations to the
1510 joint standing committees of the General Assembly having cognizance
1511 of matters relating to general law, human services, insurance and real
1512 estate and public health, in accordance with the provisions of section 11-
1513 4a of the general statutes, including, but not limited to, identification of
1514 prescription drugs the task force determines are at risk of shortage and
1515 strategies that would mitigate these shortages, including methods to
1516 increase in-state production of such drugs deemed both at risk of
1517 shortage and critically necessary for the provision of health care within
1518 the state.

1519 Sec. 38. (NEW) (*Effective July 1, 2025*) (a) As used in this section,
1520 "Strategic Supply Chain Initiative" means a program administered by
1521 the Department of Economic and Community Development to help
1522 state-based companies to increase their production capacity to win new
1523 business and attract out-of-state and international supply chain
1524 operations.

1525 (b) The Commissioner of Economic and Community Development
1526 shall expand the Strategic Supply Chain Initiative to include efforts to
1527 prevent or mitigate prescription drug shortages, including, but not
1528 limited to, incorporating recommendations to prevent or mitigate
1529 prescription drug shortages by the task force established pursuant to
1530 section 37 of this act.

1531 Sec. 39. (NEW) (*Effective from passage*) (a) The Commissioner of Public
1532 Health shall establish and convene a Vaccines and Related Biological
1533 Products Advisory Committee for the purpose of coordinating seasonal
1534 vaccine production in coordination with pharmaceutical drug

1535 manufacturers.

1536 (b) The commissioner shall appoint to the advisory committee
 1537 representatives of (1) pharmaceutical manufacturers, including one
 1538 large such manufacturer and one small or start-up such manufacturer;
 1539 (2) health systems, including, but not limited to, one large or statewide
 1540 hospital system and one federally qualified health center; and (3)
 1541 physicians, including, but not limited to, one expert each in infectious
 1542 disease epidemiology, disease ecology, biostatistics or infectious disease
 1543 modeling, and an expert in immunology or virology.

1544 (c) The advisory committee shall meet not later than thirty days after
 1545 the effective date of this act. The chairpersons shall be the commissioner,
 1546 or the commissioner's designee, and a member of the committee elected
 1547 by the committee. Any vacancy shall be filled by the commissioner.

1548 (d) Not later than September 1, 2025, and annually thereafter, the
 1549 commissioner shall file a report, in accordance with the provisions of
 1550 section 11-4a of the general statutes, with the joint standing committees
 1551 of the General Assembly having cognizance of matters relating to
 1552 human services and public health on the activities and
 1553 recommendations of the advisory committee and impact on state
 1554 preparedness for the annual flu season.

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>July 1, 2025</i>	New section
Sec. 4	<i>July 1, 2025</i>	New section
Sec. 5	<i>July 1, 2025</i>	New section
Sec. 6	<i>July 1, 2025</i>	New section
Sec. 7	<i>July 1, 2025</i>	17b-340d(a)
Sec. 8	<i>July 1, 2025</i>	New section
Sec. 9	<i>July 1, 2025</i>	New section
Sec. 10	<i>January 1, 2026</i>	New section

Sec. 11	<i>January 1, 2026</i>	New section
Sec. 12	<i>January 1, 2026</i>	New section
Sec. 13	<i>from passage</i>	New section
Sec. 14	<i>from passage</i>	New section
Sec. 15	<i>from passage</i>	17b-278l
Sec. 16	<i>October 1, 2025</i>	38a-479ttt
Sec. 17	<i>from passage</i>	New section
Sec. 18	<i>from passage</i>	New section
Sec. 19	<i>July 1, 2025</i>	New section
Sec. 20	<i>January 1, 2026</i>	New section
Sec. 21	<i>January 1, 2026</i>	38a-492d
Sec. 22	<i>January 1, 2026</i>	38a-518d
Sec. 23	<i>October 1, 2025</i>	New section
Sec. 24	<i>January 1, 2026</i>	38a-477cc
Sec. 25	<i>October 1, 2025</i>	38a-479ttt
Sec. 26	<i>July 1, 2025</i>	New section
Sec. 27	<i>July 1, 2025</i>	New section
Sec. 28	<i>July 1, 2025</i>	New section
Sec. 29	<i>October 1, 2027</i>	New section
Sec. 30	<i>October 1, 2027</i>	New section
Sec. 31	<i>October 1, 2027</i>	New section
Sec. 32	<i>October 1, 2027</i>	New section
Sec. 33	<i>October 1, 2027</i>	New section
Sec. 34	<i>October 1, 2027</i>	New section
Sec. 35	<i>October 1, 2027</i>	New section
Sec. 36	<i>October 1, 2027</i>	New section
Sec. 37	<i>from passage</i>	New section
Sec. 38	<i>July 1, 2025</i>	New section
Sec. 39	<i>from passage</i>	New section

Statement of Purpose:

To increase access to affordable health care.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

Co-Sponsors: SEN. LOONEY, 11th Dist.; SEN. DUFF, 25th Dist.
SEN. ANWAR, 3rd Dist.; SEN. CABRERA, 17th Dist.

SEN. COHEN, 12th Dist.; SEN. FLEXER, 29th Dist.
SEN. GADKAR-WILCOX, 22nd Dist.; SEN. GASTON, 23rd Dist.
SEN. HOCHADEL, 13th Dist.; SEN. HONIG, 8th Dist.
SEN. KUSHNER, 24th Dist.; SEN. LESSER, 9th Dist.
SEN. LOPES, 6th Dist.; SEN. MAHER, 26th Dist.
SEN. MARONEY, 14th Dist.; SEN. MARX, 20th Dist.
SEN. MCCRORY, 2nd Dist.; SEN. MILLER P., 27th Dist.
SEN. NEEDLEMAN, 33rd Dist.; SEN. RAHMAN, 4th Dist.
SEN. SLAP, 5th Dist.; SEN. WINFIELD, 10th Dist.
REP. MARTINEZ, 22nd Dist.

S.B. 11