



General Assembly

Substitute Bill No. 11

January Session, 2025



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

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 sections 5 and 6 of this act, "drug purchasing agency" means The
322 University of Connecticut Health Center, the Judicial Branch and the
323 Department of Mental Health and Addiction Services, Children and
324 Families, Developmental Services or 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 chief executive officer of The
330 University of Connecticut Health Center, or the chief executive officer'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 or section 4
353 of this act.

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

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

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

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

370 (4) One appointed by the majority leader of the Senate;

371 (5) One appointed by the minority leader of the House of
372 Representatives;

- 373 (6) One appointed by the minority leader of the Senate;
- 374 (7) The Commissioner of Health Strategy, or the commissioner's
375 designee;
- 376 (8) The Commissioner of Social Services, or the commissioner's
377 designee;
- 378 (9) The Commissioner of Consumer Protection, or the commissioner's
379 designee;
- 380 (10) The Insurance Commissioner, or the commissioner's designee;
381 and
- 382 (11) The Commissioner of Children and Families, or the
383 commissioner's designee.
- 384 (c) Any member of the council appointed under subdivision (1), (2),
385 (3), (4), (5) or (6) of subsection (b) of this section may be a member of the
386 General Assembly.
- 387 (d) All initial appointments to the council shall be made not later than
388 thirty days after the effective date of this section. Any vacancy shall be
389 filled by the appointing authority.
- 390 (e) The speaker of the House of Representatives and the president pro
391 tempore of the Senate shall select the chairpersons of the council from
392 among the members of the council. Such chairpersons shall schedule the
393 first meeting of the council, which shall be held not later than sixty days
394 after the effective date of this section.
- 395 (f) The administrative staff of the joint standing committee of the
396 General Assembly having cognizance of matters relating to human
397 services shall serve as administrative staff of the council.
- 398 (g) Not later than January 1, 2026, and annually thereafter, the council
399 shall submit a report on its findings and recommendations to the
400 Commissioner of Health Strategy and the joint standing committees of

401 the General Assembly having cognizance of matters relating to general
402 law, human services and public health, in accordance with the
403 provisions of section 11-4a of the general statutes.

404 Sec. 7. Subsection (a) of section 17b-340d of the general statutes is
405 repealed and the following is substituted in lieu thereof (*Effective July 1,*
406 *2025*):

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

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

430 (2) Beginning July 1, 2022, facilities [will be required to] shall comply
431 with collection and reporting of quality metrics as specified by the
432 Department of Social Services, after consultation with the nursing home

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

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

453 (4) Allowable costs shall be divided into the following five cost
454 components: (A) Direct costs, which shall include salaries for nursing
455 personnel, related fringe benefits and costs for nursing personnel
456 supplied by a temporary nursing services agency; (B) indirect costs,
457 which shall include professional fees, dietary expenses, housekeeping
458 expenses, laundry expenses, supplies related to patient care, salaries for
459 indirect care personnel and related fringe benefits; (C) fair rent, which
460 shall be defined in regulations adopted in accordance with subsection
461 (b) of this section; (D) capital-related costs, which shall include property
462 taxes, insurance expenses, equipment leases and equipment
463 depreciation; and (E) administrative and general costs, which shall
464 include maintenance and operation of plant expenses, salaries for
465 administrative and maintenance personnel and related fringe benefits.
466 For (i) direct costs, the maximum cost shall be equal to one hundred

467 thirty-five per cent of the median allowable cost of that peer grouping;
468 (ii) indirect costs, the maximum cost shall be equal to one hundred
469 fifteen per cent of the state-wide median allowable cost; (iii) fair rent,
470 the amount shall be calculated utilizing the amount approved pursuant
471 to section 17b-353; (iv) capital-related costs, there shall be no maximum;
472 and (v) administrative and general costs, the maximum shall be equal to
473 the state-wide median allowable cost. For purposes of this subdivision,
474 "temporary nursing services agency" and "nursing personnel" have the
475 same meaning as provided in section 19a-118.

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

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

494 (7) For the purpose of determining allowable fair rent, a facility with
495 allowable fair rent less than the twenty-fifth percentile of the state-wide
496 allowable fair rent shall be reimbursed as having allowable fair rent
497 equal to the twenty-fifth percentile of the state-wide allowable fair rent.
498 Any facility with a rate of return on real property other than land in
499 excess of eleven per cent shall have such allowance revised to eleven per

500 cent. Any facility or its related realty affiliate which finances or
501 refinances debt through bonds issued by the Connecticut Health and
502 Education Facilities Authority shall report the terms and conditions of
503 such financing or refinancing to the Commissioner of Social Services not
504 later than thirty days after completing such financing or refinancing.
505 The commissioner may revise the facility's fair rent component of its rate
506 to reflect any financial benefit the facility or its related realty affiliate
507 received as a result of such financing or refinancing. The commissioner
508 shall determine allowable fair rent for real property other than land
509 based on the rate of return for the cost year in which such bonds were
510 issued. The financial benefit resulting from a facility financing or
511 refinancing debt through such bonds shall be shared between the state
512 and the facility to an extent determined by the commissioner on a case-
513 by-case basis and shall be reflected in an adjustment to the facility's
514 allowable fair rent.

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

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

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

530 (11) There shall be no increase to rates based on inflation or any
531 inflationary factor for the fiscal years ending June 30, 2022, and June 30,

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

547 (12) For the fiscal year beginning July 1, 2025, and each fiscal year
548 thereafter, the commissioner shall require a nursing home facility to
549 spend not less than eighty per cent of funding received from Medicaid,
550 Medicare and all other payment sources on direct care of residents,
551 provided the commissioner may adjust the percentage spent on direct
552 care for a nursing home facility with a capital improvement project or a
553 fair rent increase approved by the commissioner. For the fiscal year
554 beginning July 1, 2027, and each fiscal year thereafter, the commissioner
555 may decrease rates of Medicaid reimbursement for any nursing home
556 that does not comply with the provisions of this subdivision. For
557 purposes of this subdivision, (A) "direct care" means hands-on care
558 provided to a facility resident by nursing personnel, including, but not
559 limited to, assistance with feeding, bathing, toileting, dressing, lifting or
560 moving residents, medication administration and salary, fringe benefits
561 and supplies related to direct care; and (B) "nursing personnel" means
562 an advanced practice registered nurse, licensed pursuant to chapter 378,
563 a registered nurse or practical nurse, licensed pursuant to chapter 378,
564 or a nurse's aide, registered pursuant to chapter 378a.

565 [(12)] (13) For purposes of computing minimum allowable patient

566 days, utilization of a facility's certified beds shall be determined at a
567 minimum of ninety per cent of capacity, except for facilities that have
568 undergone a change in ownership, new facilities, and facilities which
569 are certified for additional beds which may be permitted a lower
570 occupancy rate for the first three months of operation after the effective
571 date of licensure.

572 [(13)] (14) Rates determined under this section shall comply with
573 federal laws and regulations.

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

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

587 (b) The Commissioner of Social Services shall expand emergency
588 Medicaid coverage consistent with federal law for treatment of
589 emergency medical conditions, including, but not limited to, emergency
590 medical conditions related to (1) a high-risk pregnancy, (2) diabetes type
591 1 in persons under the age of twenty-one, (3) diabetic emergencies,
592 including, but not limited to, diabetic ketoacidosis, (4) renal failure
593 requiring ongoing dialysis, (5) fracture of a bone in the skull, arm, neck,
594 leg, spine or pelvis occurring in the two-month period prior to a request
595 for emergency Medicaid coverage, (6) hypertensive emergencies
596 involving persons presenting with signs or symptoms of end organ
597 damage and systolic blood pressure equaling or exceeding one hundred

598 eighty or diastolic blood pressure equaling or exceeding one hundred
599 twenty, (7) unstable seizure disorder characterized by at least five
600 minutes of uncontrollable seizures or at least two discrete seizures
601 between which the person does not regain consciousness, (8) active
602 treatment for cancer related to a current diagnosis, (9) ventilator
603 dependency, (10) labor and delivery, and (11) acute inpatient or
604 outpatient psychiatric treatment.

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

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

620 (1) For the fiscal year ending June 30, 2026, the commissioner shall
621 increase the asset limit for (A) an unmarried person from one thousand
622 six hundred dollars to ten thousand dollars, and (B) married persons
623 from two thousand four hundred dollars to fifteen thousand dollars;

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

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

630 dollars;

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

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

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

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

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

652 (1) "General anesthesia" has the same meaning as provided in section
653 20-123a of the general statutes; and

654 (2) "Medical necessity" has the same meaning as provided in section
655 38a-482a of the general statutes.

656 (b) No individual health insurance policy providing coverage of the
657 type specified in subdivisions (1), (2), (4), (11) and (12) of section 38a-469
658 of the general statutes delivered, issued for delivery, renewed, amended
659 or continued in this state on or after January 1, 2026, shall (1) if such

660 policy provides coverage for general anesthesia, (A) impose an arbitrary
661 time limit on reimbursement for general anesthesia provided during
662 any medically necessary procedure, or (B) deny, reduce, terminate or
663 fail to provide such reimbursement, in whole or in part, for general
664 anesthesia solely because the duration of care exceeded a predetermined
665 time limit as determined by the insurer, or (2) impose unilateral
666 arbitrary limitations on reimbursement for medically necessary
667 ancillary services.

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

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

672 (1) "General anesthesia" has the same meaning as provided in section
673 20-123a of the general statutes; and

674 (2) "Medical necessity" has the same meaning as provided in section
675 38a-482a of the general statutes.

676 (b) No group health insurance policy providing coverage of the type
677 specified in subdivisions (1), (2), (4), (11) and (12) of section 38a-469 of
678 the general statutes delivered, issued for delivery, renewed, amended
679 or continued in this state on or after January 1, 2026, shall (1) if such
680 policy provides coverage for general anesthesia, (A) impose an arbitrary
681 time limit on reimbursement for general anesthesia provided during
682 any medically necessary procedure, or (B) deny, reduce, terminate or
683 fail to provide such reimbursement, in whole or in part, for general
684 anesthesia solely because the duration of care exceeded a predetermined
685 time limit as determined by the insurer, or (2) impose unilateral
686 arbitrary limitations on reimbursement for medically necessary
687 ancillary services.

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

691 Sec. 12. (NEW) (*Effective January 1, 2026*) Any stop loss insurance
692 policy used in conjunction with a self-funded employee health benefit
693 plan shall: (1) Provide coverage for (A) essential health benefits as
694 defined in the Patient Protection and Affordable Care Act, P.L. 111-148,
695 and regulations adopted thereunder, and (B) the group state-mandated
696 coverage requirements under chapter 700c of the general statutes; or (2)
697 have (A) a minimum individual attachment point of not less than
698 seventy-five thousand dollars, and (B) an aggregate attachment point of
699 not less than two hundred fifty thousand dollars.

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

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

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

720 Sec. 14. (*Effective from passage*) (a) There is established an advisory
721 committee to (1) study ways to maximize access to cost-effective
722 prescription drugs approved by the federal Food and Drug

723 Administration for the treatment of obesity, and (2) make
724 recommendations concerning implementation of the strategic plan
725 developed pursuant to section 13 of this act to the Commissioner of
726 Social Services.

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

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

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

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

737 (c) The committee shall be appointed and convene not later than
738 thirty days after the effective date of this section and choose a
739 chairperson. The committee shall meet at least bimonthly.

740 (d) The committee shall review the strategic plan developed by the
741 Commissioner of Social Services pursuant to section 13 of this act and
742 shall make recommendations to the commissioner on implementation
743 of the plan and the results of its study not later than January 31, 2026.
744 The committee shall terminate upon submission of its recommendations
745 to the commissioner or January 31, 2026, whichever is later.

746 Sec. 15. Section 17b-278l of the general statutes is repealed and the
747 following is substituted in lieu thereof (*Effective July 1, 2025*):

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

751 (2) "Body mass index", or "BMI", means the number calculated by

752 dividing an individual's weight in kilograms by the individual's height
753 in meters squared;

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

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

759 (A) Greater than forty; or

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

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

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

769 (b) The Commissioner of Social Services shall provide medical
770 assistance for (1) bariatric surgery and related medical services for
771 Medicaid and HUSKY B beneficiaries with severe obesity, and (2)
772 medical services for Medicaid and HUSKY B beneficiaries with a body
773 mass index greater than thirty-five, [provided such beneficiaries
774 otherwise meet conditions set by the Centers for Medicare and Medicaid
775 Services for such surgery and medical services] including weight loss
776 drugs. The commissioner shall continue to provide Medicaid coverage
777 for beneficiaries treated with weight loss drugs if their BMI drops below
778 thirty-five and a licensed physician certifies, in writing, that their BMI
779 would increase above thirty-five if such drugs were discontinued. If
780 necessary, the commissioner may amend the Medicaid state plan and
781 the state plan for the Children's Health Insurance Program to implement

782 the provisions of this section.

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

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

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

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

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

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

816 (4) "Manufacturer" has the same meaning as provided in section 21a-
817 70 of the general statutes, except that such definition shall include
818 manufacturers of biologics;

819 (5) "Package" has the same meaning as provided in 21 USC
820 360eee(11)(A); and

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

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

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

830 (2) Require a covered entity, or a pharmacy that is under contract
831 with a covered entity, to submit any claims or utilization data as a
832 condition for allowing the acquisition of a 340B drug by, or delivery of
833 a 340B drug to, a covered entity, or a pharmacy that is under contract
834 with a covered entity, unless the claims or utilization data sharing is
835 required by the United States Department of Health and Human
836 Services.

837 (b) (1) On and after July 1, 2025, if the Commissioner of Consumer
838 Protection receives information and has a reasonable belief, after
839 evaluating such information, that any manufacturer, or an agent or
840 affiliate of such manufacturer, has acted in violation of any provision of
841 this section or regulation adopted thereunder, such manufacturer, or an
842 agent or affiliate of such manufacturer, shall be subject to a civil penalty

843 of not more than fifty thousand dollars for each violation. The
844 commissioner shall issue a notice of violation and civil penalty and may
845 issue such notice by first-class mail or personal service. Such notice shall
846 include: (A) A reference to the section of the general statutes or
847 regulation of Connecticut state agencies believed or alleged to have been
848 violated; (B) a short and plain-language statement of the matters
849 asserted or charged; (C) a description of the activity to cease; (D) a
850 statement of the amount of the civil penalty or penalties that may be
851 imposed; (E) a statement concerning the right to a hearing; and (F) a
852 statement that such manufacturer, or an agent or affiliate of such
853 manufacturer, may, not later than ten business days after receipt of such
854 notice, make a request for a hearing on the matters asserted.

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

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

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

875 (1) Applicable federal law and related regulations, including 21 USC
876 355-1, as amended from time to time; or

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

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

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

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

893 (c) The commissioner shall adopt regulations, in accordance with the
894 provisions of chapter 54 of the general statutes, to implement the
895 provisions of this section and may establish penalties and an
896 administrative hearing process in accordance with chapter 54 of the
897 general statutes for a pharmaceutical manufacturer that violates the
898 provisions of this section.

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

900 (1) "Health benefit plan" has the same meaning as provided in section
901 38a-472f of the general statutes;

902 (2) "Insulin" means an insulin product, including, but not limited to,
903 an insulin pen or vial, that is licensed under 42 USC 262(a) or 42 USC
904 262(k), as amended from time to time;

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

908 (4) "Net cost" means the cost of an insulin product taking into account
909 rebates or discounts for that specific product, excluding (A) rebates or
910 discounts required by state or federal law, including Medicaid,
911 Medicare and Section 340B of the Public Health Service Act, 42 USC
912 256b, as amended from time to time, and (B) rebates or discounts related
913 to portfolio agreements that relate to purchase of multiple insulin
914 products or other drugs;

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

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

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

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

937 benefit plan from covering more than one eligible insulin product in a
938 preferred tier with no copayment or out-of-pocket cost to a beneficiary
939 of such entity or health benefit plan.

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

942 (a) For the purposes of this section:

943 (1) "Diabetes device" has the same meaning as provided in section 20-
944 616;

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

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

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

951 (5) "Insulin drug" has the same meaning as provided in section 20-
952 616;

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

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

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

965 medically necessary:

966 (1) Laboratory and diagnostic testing and screening, including, but
967 not limited to, hemoglobin A1c testing and retinopathy screening, for
968 all types of diabetes;

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

972 (3) Noninsulin drugs (A) prescribed by a prescribing practitioner, or
973 (B) prescribed and dispensed pursuant to subsection (d) of section 20-
974 616 once during a policy year if the noninsulin drug is a glucagon drug;

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

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

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

987 (1) Twenty-five dollars for each thirty-day supply of a medically
988 necessary covered insulin 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;

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

995 noninsulin drug is a glucagon drug;

996 (3) One hundred dollars for a thirty-day supply of all medically
997 necessary covered diabetes devices and diabetic ketoacidosis devices for
998 such insured that are in accordance with such insured's diabetes
999 treatment plan, including, but not limited to, diabetes devices and
1000 diabetic ketoacidosis devices prescribed and dispensed pursuant to
1001 subsection (d) of section 20-616 once during a policy year.

1002 (d) Notwithstanding the provisions of subsection (c) of this section
1003 and section 38a-492a, on and after January 1, 2026, any policy described
1004 in subsection (b) of this section shall make available in a preferred tier
1005 with no copayment or out-of-pocket cost an eligible insulin product, as
1006 defined in section 20 of this act, at the lowest wholesale acquisition cost
1007 in accordance with section 20 of this act.

1008 [(d)] (e) The provisions of [subsection (c)] subsections (c) and (d) of
1009 this section shall apply to a high deductible health plan to the maximum
1010 extent permitted by federal law, except if such plan is used to establish
1011 a medical savings account or an Archer MSA pursuant to Section 220 of
1012 the Internal Revenue Code of 1986, or any subsequent corresponding
1013 internal revenue code of the United States, as amended from time to
1014 time, or a health savings account pursuant to Section 223 of said Internal
1015 Revenue Code, as amended from time to time, the provisions of said
1016 [subsection (c)] subsections shall apply to such plan to the maximum
1017 extent that (1) is permitted by federal law, and (2) does not disqualify
1018 such account for the deduction allowed under said Section 220 or 223,
1019 as applicable.

1020 Sec. 22. Section 38a-518d of the general statutes is repealed and the
1021 following is substituted in lieu thereof (*Effective January 1, 2026*):

1022 (a) For the purposes of this section:

1023 (1) "Diabetes device" has the same meaning as provided in section 20-
1024 616;

1025 (2) "Diabetic ketoacidosis device" has the same meaning as provided
1026 in section 20-616;

1027 (3) "Glucagon drug" has the same meaning as provided in section 20-
1028 616;

1029 (4) "High deductible health plan" has the same meaning as that term
1030 is used in subsection (f) of section 38a-520;

1031 (5) "Insulin drug" has the same meaning as provided in section 20-
1032 616;

1033 (6) "Noninsulin drug" means a drug, including, but not limited to, a
1034 glucagon drug, glucose tablet or glucose gel, that does not contain
1035 insulin and is approved by the federal Food and Drug Administration
1036 to treat diabetes; and

1037 (7) "Prescribing practitioner" has the same meaning as provided in
1038 section 20-571.

1039 (b) Notwithstanding the provisions of section 38a-518a, each group
1040 health insurance policy providing coverage of the type specified in
1041 subdivisions (1), (2), (4), (11) and (12) of section 38a-469 delivered,
1042 issued for delivery, renewed, amended or continued in this state shall
1043 provide coverage for the treatment of all types of diabetes. Such
1044 coverage shall include, but need not be limited to, coverage for
1045 medically necessary:

1046 (1) Laboratory and diagnostic testing and screening, including, but
1047 not limited to, hemoglobin A1c testing and retinopathy screening, for
1048 all types of diabetes;

1049 (2) Insulin drugs (A) prescribed by a prescribing practitioner, or (B)
1050 prescribed and dispensed pursuant to subsection (d) of section 20-616
1051 once during a policy year;

1052 (3) Noninsulin drugs (A) prescribed by a prescribing practitioner, or
1053 (B) prescribed and dispensed pursuant to subsection (d) of section 20-

1054 616 once during a policy year if the noninsulin drug is a glucagon drug;

1055 (4) Diabetes devices in accordance with the insured's diabetes
1056 treatment plan, including, but not limited to, diabetes devices
1057 prescribed and dispensed pursuant to subsection (d) of section 20-616
1058 once during a policy year; and

1059 (5) Diabetic ketoacidosis devices in accordance with the insured's
1060 diabetes treatment plan, including, but not limited to, diabetic
1061 ketoacidosis devices prescribed and dispensed pursuant to subsection
1062 (d) of section 20-616 once during a policy year.

1063 (c) Notwithstanding the provisions of section 38a-518a, no policy
1064 described in subsection (b) of this section shall impose coinsurance,
1065 copayments, deductibles and other out-of-pocket expenses on an
1066 insured that exceed:

1067 (1) Twenty-five dollars for each thirty-day supply of a medically
1068 necessary covered insulin 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;

1071 (2) Twenty-five dollars for each thirty-day supply of a medically
1072 necessary covered noninsulin drug (A) prescribed to the insured by a
1073 prescribing practitioner, or (B) prescribed and dispensed pursuant to
1074 subsection (d) of section 20-616 once during a policy year if such
1075 noninsulin drug is a glucagon drug;

1076 (3) One hundred dollars for a thirty-day supply of all medically
1077 necessary covered diabetes devices and diabetic ketoacidosis devices for
1078 such insured that are in accordance with such insured's diabetes
1079 treatment plan, including, but not limited to, diabetes devices and
1080 diabetic ketoacidosis devices prescribed and dispensed pursuant to
1081 subsection (d) of section 20-616 once during a policy year.

1082 (d) Notwithstanding the provisions of subsection (c) of this section
1083 and section 38a-518a, on and after January 1, 2026, any policy described

1084 in subsection (b) of this section shall make available in a preferred tier
1085 with no copayment or out-of-pocket cost an eligible insulin product, as
1086 defined in section 20 of this act, at the lowest wholesale acquisition cost
1087 in accordance with section 20 of this act.

1088 ~~[(d)]~~ (e) The provisions of ~~[subsection (c)]~~ subsections (c) and (d) of
1089 this section shall apply to a high deductible health plan to the maximum
1090 extent permitted by federal law, except if such plan is used to establish
1091 a medical savings account or an Archer MSA pursuant to Section 220 of
1092 the Internal Revenue Code of 1986, or any subsequent corresponding
1093 internal revenue code of the United States, as amended from time to
1094 time, or a health savings account pursuant to Section 223 of said Internal
1095 Revenue Code, as amended from time to time, the provisions of said
1096 ~~[subsection (c)]~~ subsections shall apply to such plan to the maximum
1097 extent that (1) is permitted by federal law, and (2) does not disqualify
1098 such account for the deduction allowed under said Section 220 or 223,
1099 as applicable.

1100 Sec. 23. (NEW) (*Effective October 1, 2025*) (a) Any pharmacy benefits
1101 manager shall owe a fiduciary duty to any health carrier, as defined in
1102 section 38a-591a of the general statutes, or other health benefit plan
1103 sponsor.

1104 (b) Any pharmacy benefits manager shall notify the health carrier or
1105 other health benefit plan sponsor, in writing, of any activity, policy or
1106 practice of such pharmacy benefits manager that directly or indirectly
1107 presents any conflict of interest with the duties imposed by this section.

1108 (c) Any pharmacy benefits manager shall have an obligation of good
1109 faith and fair dealing in performing such pharmacy benefits manager's
1110 duties with all parties, including, but not limited to, a health carrier or
1111 other health benefit plan sponsor with whom such pharmacy benefits
1112 manager interacts in the performance of pharmacy benefit management
1113 services.

1114 (d) Notwithstanding any provision of title 38a of the general statutes
1115 and to the maximum extent permitted by applicable law, no contract

1116 entered into or amended by a health carrier shall contain any provision
1117 that permits or requires any party to such contract to violate the
1118 fiduciary duty that such health carrier owes to such health carrier's
1119 covered persons.

1120 (e) Any violation of the provisions of this section shall constitute a
1121 violation of sections 38a-815 to 38a-819, inclusive, of the general statutes.

1122 (f) The Insurance Commissioner may adopt regulations, in
1123 accordance with the provisions of chapter 54 of the general statutes, to
1124 implement the provisions of this section.

1125 Sec. 24. Section 38a-477cc of the general statutes is repealed and the
1126 following is substituted in lieu thereof (*Effective January 1, 2026*):

1127 (a) No contract for pharmacy services entered into in the state
1128 between a health carrier, as defined in section 38a-591a, or pharmacy
1129 benefits manager, as defined in section 38a-479aaa, and a pharmacy or
1130 pharmacist shall:

1131 (1) On and after January 1, 2018, contain a provision prohibiting or
1132 penalizing, including through increased utilization review, reduced
1133 payments or other financial disincentives, a pharmacist's disclosure to
1134 an individual purchasing prescription medication of information
1135 regarding:

1136 (A) The cost of the prescription medication to the individual; or

1137 (B) The availability of any therapeutically equivalent alternative
1138 medications or alternative methods of purchasing the prescription
1139 medication, including, but not limited to, paying a cash price, that are
1140 less expensive than the cost of the prescription medication to the
1141 individual; [and]

1142 (2) On and after January 1, 2020, contain a provision permitting the
1143 health carrier or pharmacy benefits manager to recoup, directly or
1144 indirectly, from a pharmacy or pharmacist any portion of a claim that
1145 such health carrier or pharmacy benefits manager has paid to the

1146 pharmacy or pharmacist, unless such recoupment is permitted under
1147 section 38a-479iii or required by applicable law;

1148 (3) On and after January 1, 2026, contain a provision permitting the
1149 pharmacy benefits manager to charge a health benefit plan in this state
1150 a contracted price for any pharmacy services that differs from the
1151 amount such pharmacy benefits manager, directly or indirectly, pays
1152 the pharmacy for such pharmacy services; and

1153 (4) On and after January 1, 2026, contain a provision permitting the
1154 pharmacy benefits manager to charge a health benefit plan, directly or
1155 indirectly, a fee that is conditioned on the (A) wholesale acquisition cost
1156 or any other price metric for a prescription drug, (B) amount of savings,
1157 rebates or other fees charged, realized, collected by or generated based
1158 on the business practices of such pharmacy benefits manager, or (C)
1159 amount of premiums charged or cost-sharing requirements pursuant to
1160 such health benefit plan that are realized or collected by such pharmacy
1161 benefits manager from covered persons. For the purposes of this
1162 subdivision, "wholesale acquisition cost" means the price of a
1163 medication set by a pharmaceutical manufacturer in the United States
1164 when selling to a wholesaler.

1165 (b) (1) On and after January 1, 2018, no health carrier or pharmacy
1166 benefits manager shall require an individual to make a payment at the
1167 point of sale for a covered prescription medication in an amount greater
1168 than the lesser of:

1169 (A) The applicable copayment for such prescription medication;

1170 (B) The allowable claim amount for the prescription medication; or

1171 (C) The amount an individual would pay for the prescription
1172 medication if the individual purchased the prescription medication
1173 without using a health benefit plan, as defined in section 38a-591a, or
1174 any other source of prescription medication benefits or discounts.

1175 (2) For the purposes of this subsection, "allowable claim amount"

1176 means the amount the health carrier or pharmacy benefits manager has
1177 agreed to pay the pharmacy for the prescription medication.

1178 (c) Any provision of a contract that violates the provisions of this
1179 section shall be void and unenforceable. Any general business practice
1180 that violates the provisions of this section shall constitute an unfair trade
1181 practice pursuant to chapter 735a. The invalidity or unenforceability of
1182 any contract provision under this subsection shall not affect any other
1183 provision of the contract.

1184 (d) The Insurance Commissioner may:

1185 (1) Enforce the provisions of this section pursuant to chapter 697; and

1186 (2) Upon request, audit a contract for pharmacy services for
1187 compliance with the provisions of this section.

1188 Sec. 25. (NEW) (*Effective July 1, 2025*) (a) The Insurance Commissioner
1189 shall require any health carrier, as defined in section 38a-591a of the
1190 general statutes, to report to the commissioner annually on pricing
1191 offered to and profit generated between such carrier and any pharmacy
1192 benefits manager or mail-order pharmacy doing business with such
1193 carrier.

1194 (b) The commissioner shall post a link on the Internet web site of the
1195 Insurance Department to the reports filed pursuant to subsection (a) of
1196 this section.

1197 Sec. 26. (*Effective July 1, 2025*) For the purposes of this section and
1198 sections 27 to 35, inclusive, of this act, unless the context otherwise
1199 requires:

1200 (1) "Canadian supplier" means a manufacturer or wholesale drug
1201 distributor that is licensed or permitted under applicable Canadian law
1202 to manufacture or distribute prescription drugs;

1203 (2) "Canadian prescription drug importation program" or "program"
1204 means a program under which the state would seek federal approval to

1205 import prescription drugs from Canada that have the highest potential
1206 for cost savings in the state;

1207 (3) "Department" means the Department of Consumer Protection;

1208 (4) "Drug" means an article that is (A) recognized in the official United
1209 States Pharmacopoeia, official Homeopathic Pharmacopoeia of the
1210 United States or official National Formulary, or any supplement thereto,
1211 (B) intended for use in the diagnosis, cure, mitigation, treatment or
1212 prevention of disease in humans, (C) not food and intended to affect the
1213 structure or any function of the human body, and (D) not a device and
1214 intended for use as a component of any article specified in
1215 subparagraphs (A) to (C), inclusive, of this subdivision;

1216 (5) "Drug Quality and Security Act" means the federal Drug Quality
1217 and Security Act, 21 USC 351, et seq., as amended from time to time;

1218 (6) "Food, Drug and Cosmetic Act" means the federal Food, Drug and
1219 Cosmetic Act, 21 USC 301, et seq., as amended by the Drug Quality and
1220 Security Act, as both may be amended from time to time;

1221 (7) "Qualifying laboratory" has the same meaning as provided in 21
1222 CFR 251.2;

1223 (8) "Laboratory testing" means a quantitative and qualitative analysis
1224 of a drug consistent with the applicable provisions of the official United
1225 States Pharmacopoeia;

1226 (9) "Participating Canadian supplier" means a Canadian supplier that
1227 is exporting prescription drugs, in the manufacturer's original
1228 container, to a participating wholesaler for distribution in this state
1229 under the program;

1230 (10) "Participating wholesaler" means a wholesaler that is (A)
1231 designated by the Department of Consumer Protection to distribute
1232 prescription drugs in the manufacturer's original container, obtained
1233 from a participating Canadian supplier, and (B) participating in the
1234 program;

1235 (11) "Recall" means a person's removal or correction of a marketed
1236 product that the department determines is in violation of this section,
1237 but "recall" does not include a market withdrawal or a stock recovery,
1238 as such terms are defined in 21 CFR 7.3;

1239 (12) "Relabeler" has the same meaning as provided in 21 CFR 207.1;

1240 (13) "Repacker" has the same meaning as provided in 21 CFR 207.1;

1241 (14) "Track-and-trace" means the product tracing process for the
1242 components of the pharmaceutical distribution supply chain as
1243 described in Title II of the Drug Quality and Security Act; and

1244 (15) "Wholesaler" means a wholesaler, as defined in section 21a-70 of
1245 the general statutes, that has received a certificate of registration from
1246 the Commissioner of Consumer Protection pursuant to said section.

1247 Sec. 27. (*Effective July 1, 2025*) The Commissioner of Consumer
1248 Protection shall hire, within available resources, a consultant to study
1249 the feasibility of establishing a Canadian prescription drug importation
1250 program to reduce prescription drug costs in the state. Not later than
1251 October 1, 2027, the commissioner shall file a report, in accordance with
1252 the provisions of section 11-4a of the general statutes, with the joint
1253 standing committees of the General Assembly having cognizance of
1254 matters relating to appropriations and the budgets of state agencies,
1255 general law and human services and the Office of Policy and
1256 Management on the results of the feasibility study.

1257 Sec. 28. (*Effective October 1, 2027*) (a) If after completion of the study
1258 described in section 27 of this act, the Commissioner of Consumer
1259 Protection, in consultation with the Secretary of the Office of Policy and
1260 Management, determines a Canadian prescription drug importation
1261 program is feasible, the Commissioner of Consumer Protection may
1262 submit a request to the federal Food and Drug Administration seeking
1263 approval for the program under Section 804 of the federal Food, Drug
1264 and Cosmetic Act, 21 USC 384(b) to 21 USC 384(h), inclusive, as
1265 amended from time to time. If submitted, such request shall, at a

1266 minimum:

1267 (1) Describe the state's plans for operating the program and describe
1268 any opportunities to coordinate or operate the program in coordination
1269 with other states;

1270 (2) Demonstrate that any prescription drug that is imported and
1271 distributed in this state under the program would:

1272 (A) Meet all applicable federal and state standards for safety and
1273 effectiveness; and

1274 (B) Comply with all federal tracing procedures; and

1275 (3) State the estimated costs of implementing the program.

1276 (b) If the federal Food and Drug Administration approves the
1277 request, the Commissioner of Consumer Protection shall:

1278 (1) Submit to the Secretary of the Office of Policy and Management,
1279 and the Commissioners of Social Services and Health Strategy, a notice
1280 disclosing that the federal Food and Drug Administration approved
1281 such request; and

1282 (2) Submit to the joint standing committees of the General Assembly
1283 having cognizance of matters relating to appropriations and the budgets
1284 of state agencies, general law, human services and public health a notice
1285 disclosing that the federal Food and Drug Administration approved
1286 such request.

1287 (c) The Commissioner of Consumer Protection shall not operate the
1288 program unless the federal Food and Drug Administration approves the
1289 request. Notwithstanding the provisions of this subsection, the
1290 department may expend resources in advance of such approval to
1291 ensure efficient implementation.

1292 Sec. 29. (*Effective October 1, 2027*) If the Canadian prescription drug
1293 importation program is established, each participating wholesaler may

1294 import and distribute a prescription drug in this state from a
1295 participating Canadian supplier under the program if:

1296 (1) Such drug meets the federal Food and Drug Administration's
1297 standards concerning drug safety, effectiveness, misbranding and
1298 adulteration;

1299 (2) Importing such drug would not violate federal patent laws; and

1300 (3) Such drug is not:

1301 (A) A controlled substance, as defined in 21 USC 802, as amended
1302 from time to time;

1303 (B) A biological product, as defined in 42 USC 262, as amended from
1304 time to time;

1305 (C) An infused drug;

1306 (D) An intravenously injected drug;

1307 (E) A drug that is inhaled during surgery; or

1308 (F) A drug that is a parenteral drug, the importation of which is
1309 determined by the federal Secretary of Health and Human Services to
1310 pose a threat to the public health.

1311 Sec. 30. (*Effective October 1, 2027*) If a Canadian prescription drug
1312 importation program is established, participating wholesalers may,
1313 subject to the provisions of sections 31 and 32 of this act, import and
1314 distribute drugs in this state from a participating Canadian supplier
1315 under the program to:

1316 (1) A pharmacy or institutional pharmacy, as defined in section 20-
1317 571 of the general statutes; and

1318 (2) A qualifying laboratory.

1319 Sec. 31. (*Effective October 1, 2027*) If a Canadian prescription drug

1320 importation program is established, the Commissioner of Consumer
1321 Protection shall require that each participating Canadian supplier and
1322 participating wholesaler (1) comply with all applicable track-and-trace
1323 requirements, and shall not distribute, dispense or sell outside of this
1324 state any prescription drug that is imported into this state under the
1325 program, and (2) make available to the commissioner all track-and-trace
1326 records not later than forty-eight hours after the commissioner requests
1327 such records.

1328 Sec. 32. (*Effective October 1, 2027*) (a) A participating wholesaler in any
1329 approved Canadian prescription drug importation program shall
1330 ensure the safety and quality of all drugs that may be imported and
1331 distributed in this state under the program. The participating
1332 wholesaler shall, if such program is established:

1333 (1) For each initial shipment of a drug that is imported into this state
1334 by a participating wholesaler, ensure that a qualifying laboratory
1335 engaged by the participating wholesaler tests a statistically valid sample
1336 size for each batch of each drug in such shipment for authenticity and
1337 degradation in a manner that is consistent with the Food, Drug and
1338 Cosmetic Act;

1339 (2) For each shipment of a drug that is imported into this state by a
1340 participating wholesaler and has been sampled and tested pursuant to
1341 subdivision (1) of this subsection, ensure that a qualifying laboratory
1342 engaged by the participating wholesaler tests a statistically valid sample
1343 of such shipment for authenticity and degradation in a manner that is
1344 consistent with the Food, Drug and Cosmetic Act;

1345 (3) Only import drugs into this state that are (A) approved for
1346 marketing in the United States, (B) not adulterated or misbranded, and
1347 (C) meet all of the labeling requirements under 21 USC 352, as amended
1348 from time to time;

1349 (4) Maintain qualifying laboratory records, including, but not limited
1350 to, complete data derived from all tests necessary to ensure that each
1351 drug imported into this state under any approved Canadian

1352 prescription drug importation program is in compliance with the
1353 requirements of this section; and

1354 (5) Maintain documentation demonstrating that the testing required
1355 by this section was conducted at a qualifying laboratory in accordance
1356 with the Food, Drug and Cosmetic Act and all other applicable federal
1357 and state laws and regulations concerning qualifying laboratory
1358 qualifications.

1359 (b) The participating wholesaler shall maintain all information and
1360 documentation pursuant to this section for a period of not less than three
1361 years from the date of submission of such information and
1362 documentation to the participating wholesaler by a qualifying
1363 laboratory.

1364 (c) Each participating wholesaler shall maintain all of the following
1365 information for each drug that such participating wholesaler imports
1366 and distributes in this state under the program, and submit such
1367 information to the Commissioner of Consumer Protection upon request
1368 by the commissioner:

1369 (1) The name and quantity of the active ingredient of such drug;

1370 (2) A description of the dosage form of such drug;

1371 (3) The date on which such participating wholesaler received such
1372 drug;

1373 (4) The quantity of such drug that such participating wholesaler
1374 received;

1375 (5) The point of origin and destination of such drug;

1376 (6) The price paid by such participating wholesaler for such drug;

1377 (7) A report regarding any drug that fails qualifying laboratory
1378 testing; and

1379 (8) Such additional information and documentation that the

1380 commissioner deems necessary to ensure the protection of the public
1381 health.

1382 (d) The Commissioner of Consumer Protection shall require each
1383 participating Canadian supplier in any approved Canadian prescription
1384 drug importation program to maintain the following information and
1385 documentation and, upon request by the commissioner, submit such
1386 information and documentation to the commissioner for each drug that
1387 such participating Canadian supplier exports into this state under the
1388 program:

1389 (1) The original source of such drug, including, but not limited to:

1390 (A) The name of the manufacturer of such drug;

1391 (B) The date on which such drug was manufactured; and

1392 (C) The location where such drug was manufactured;

1393 (2) The date on which such drug was shipped;

1394 (3) The quantity of such drug that was shipped;

1395 (4) The quantity of each lot of such drug originally received and the
1396 source of such lot;

1397 (5) The lot or control number and the batch number assigned to such
1398 drug by the manufacturer; and

1399 (6) Such additional information and documentation that the
1400 Commissioner of Consumer Protection deems necessary to ensure the
1401 protection of the public health.

1402 Sec. 33. (*Effective October 1, 2027*) (a) If the Commissioner of Consumer
1403 Protection determines that public health, safety or welfare requires
1404 emergency action, the commissioner may order a participating
1405 Canadian supplier, participating wholesaler, relabeler, repacker and
1406 qualifying laboratory to cease and desist from actions specified in the
1407 order that create the need for such emergency action pending

1408 administrative proceedings. Such cease and desist order shall be (1) in
1409 writing; (2) signed by the Commissioner of Consumer Protection; and
1410 (3) effective upon delivery to the respondent. An administrative
1411 proceeding in accordance with chapter 54 of the general statutes shall
1412 be promptly instituted following a cease and desist order. The
1413 commissioner may impose a civil penalty, in an amount not to exceed
1414 ten thousand dollars, after a hearing conducted pursuant to chapter 54
1415 of the general statutes.

1416 (b) The commissioner may require the recall, embargo or destruction,
1417 pursuant to section 21a-96 of the general statutes, of any drug that was
1418 imported and distributed under the program and has been identified as
1419 adulterated, within the meaning of section 21a-105 of the general
1420 statutes, or misbranded.

1421 (c) In the event of a cease and desist, recall, embargo or destruction
1422 order, the person adversely impacted by such order shall provide
1423 written notice to all other businesses participating in the program,
1424 informing them of the order.

1425 Sec. 34. (*Effective October 1, 2027*) If a Canadian prescription drug
1426 importation program is established, the Commissioner of Consumer
1427 Protection may adopt regulations in accordance with the provisions of
1428 chapter 54 of the general statutes to implement the provisions of sections
1429 29 to 33, inclusive, of this act.

1430 Sec. 35. (*Effective October 1, 2027*) Not later than one hundred eighty
1431 days after the first importation of any Canadian prescription drug under
1432 the importation program begins, and biannually thereafter, the
1433 Commissioner of Consumer Protection shall submit a report, in
1434 accordance with the provisions of section 11-4a of the general statutes,
1435 to the joint standing committees of the General Assembly having
1436 cognizance of matters relating to appropriations and the budgets of state
1437 agencies, general law, human services and public health. Such report
1438 shall describe (1) the operation of the program, if established, and (2)
1439 any violation of sections 29 to 33, inclusive, of this act that resulted in

1440 any action taken by the commissioner pursuant to section 33 of this act
1441 and the status of the investigation into such violation.

1442 Sec. 36. (NEW) (*Effective from passage*) (a) There is established a task
1443 force to study emergency preparedness and mitigation strategies for
1444 prescription drug shortages. The task force shall identify prescription
1445 drugs at risk of shortage in this state and make recommendations
1446 pursuant to subsection (g) of this section.

1447 (b) The task force shall consist of the following members:

1448 (1) Two appointed by the speaker of the House of Representatives,
1449 one of whom has expertise in prescription drug supply chains and one
1450 of whom has expertise in federal law concerning prescription drug
1451 shortages;

1452 (2) Two appointed by the president pro tempore of the Senate, one of
1453 whom represents hospitals and one of whom represents health care
1454 providers who treat patients with rare diseases;

1455 (3) One appointed by the majority leader of the House of
1456 Representatives, who represents one of the two federally recognized
1457 Indian tribes in the state;

1458 (4) One appointed by the majority leader of the Senate, who
1459 represents one of the two federally recognized Indian tribes in the state;

1460 (5) One appointed by the minority leader of the House of
1461 Representatives;

1462 (6) One appointed by the minority leader of the Senate;

1463 (7) The Commissioner of Health Strategy, or the commissioner's
1464 designee;

1465 (8) The Commissioner of Consumer Protection, or the commissioner's
1466 designee;

1467 (9) The Commissioner of Social Services, or the commissioner's

1468 designee;

1469 (10) The Commissioner of Public Health, or the commissioner's
1470 designee;

1471 (11) The chief executive officer of The University of Connecticut
1472 Health Center, or the chief executive officer's designee;

1473 (12) The Insurance Commissioner, or the commissioner's designee;
1474 and

1475 (13) The Commissioner of Economic and Community Development,
1476 or the commissioner's designee.

1477 (c) Any member of the task force appointed under subdivision (1),
1478 (2), (3), (4), (5) or (6) of subsection (b) of this section may be a member
1479 of the General Assembly.

1480 (d) All initial appointments to the task force shall be made not later
1481 than thirty days after the effective date of this section. Any vacancy shall
1482 be filled by the appointing authority.

1483 (e) The speaker of the House of Representatives and the president pro
1484 tempore of the Senate shall select the chairpersons of the task force from
1485 among the members of the task force. Such chairpersons shall schedule
1486 the first meeting of the task force, which shall be held not later than sixty
1487 days after the effective date of this section.

1488 (f) The administrative staff of the joint standing committee of the
1489 General Assembly having cognizance of matters relating to human
1490 services shall serve as administrative staff of the task force.

1491 (g) Not later than January 1, 2026, and annually thereafter, the task
1492 force shall submit a report on its findings and recommendations to the
1493 joint standing committees of the General Assembly having cognizance
1494 of matters relating to general law, human services, insurance and real
1495 estate and public health, in accordance with the provisions of section 11-
1496 4a of the general statutes, including, but not limited to, identification of

1497 prescription drugs the task force determines are at risk of shortage and
1498 strategies that would mitigate these shortages, including methods to
1499 increase in-state production of such drugs deemed both at risk of
1500 shortage and critically necessary for the provision of health care within
1501 the state.

1502 Sec. 37. (NEW) (*Effective July 1, 2025*) (a) As used in this section,
1503 "Strategic Supply Chain Initiative" means a program administered by
1504 the Department of Economic and Community Development to help
1505 state-based companies to increase their production capacity to win new
1506 business and attract out-of-state and international supply chain
1507 operations.

1508 (b) The Commissioner of Economic and Community Development
1509 shall expand the Strategic Supply Chain Initiative to include efforts to
1510 prevent or mitigate prescription drug shortages, including, but not
1511 limited to, incorporating recommendations to prevent or mitigate
1512 prescription drug shortages by the task force established pursuant to
1513 section 36 of this act.

1514 Sec. 38. (NEW) (*Effective from passage*) (a) The Commissioner of Public
1515 Health shall establish and convene a Vaccines and Related Biological
1516 Products Advisory Committee for the purpose of coordinating seasonal
1517 vaccine production in coordination with pharmaceutical drug
1518 manufacturers.

1519 (b) The commissioner shall appoint to the advisory committee
1520 representatives of (1) pharmaceutical manufacturers, including one
1521 large such manufacturer and one small or start-up such manufacturer;
1522 (2) health systems, including, but not limited to, one large or state-wide
1523 hospital system and one federally qualified health center; and (3)
1524 physicians, including, but not limited to, one expert each in infectious
1525 disease epidemiology, disease ecology, biostatistics or infectious disease
1526 modeling, and an expert in immunology or virology.

1527 (c) The advisory committee shall be appointed and meet not later
1528 than thirty days after the effective date of this act. The chairpersons shall

1529 be the commissioner, or the commissioner's designee, and a member of
 1530 the committee elected by the committee. Any vacancy shall be filled by
 1531 the commissioner.

1532 (d) Not later than September 1, 2025, and annually thereafter, the
 1533 commissioner shall file a report, in accordance with the provisions of
 1534 section 11-4a of the general statutes, with the joint standing committees
 1535 of the General Assembly having cognizance of matters relating to
 1536 human services and public health on the activities and
 1537 recommendations of the advisory committee and impact on state
 1538 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>from passage</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>July 1, 2025</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>July 1, 2025</i>	New section
Sec. 26	<i>July 1, 2025</i>	New section
Sec. 27	<i>July 1, 2025</i>	New section
Sec. 28	<i>October 1, 2027</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>from passage</i>	New section
Sec. 37	<i>July 1, 2025</i>	New section
Sec. 38	<i>from passage</i>	New section

HS *Joint Favorable Subst.*

JUD *Joint Favorable*

APP *Joint Favorable*