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sHB-6870
AN ACT ADDRESSING PATIENTS' PRESCRIPTION DRUG COSTS.
AMENDMENT
LCO No.: 10567
File Copy No.: 308
House Calendar No.: 210

OFA Fiscal Note

See Fiscal Note Details

The amendment strikes the underlying bill and its associated fiscal impact resulting in the following impact.

The amendment makes various changes regarding prescription drug costs resulting in the costs and revenue gain described below.

Section 6 allows the Commissioner of Economic and Community Development to utilize bond proceeds from the Manufacturing Assistance Act (MAA) program to support prescription drug production capacity in the state. There is no fiscal impact as the amendment does not provide additional funding to the MAA program for this purpose.

Sections 9-18 create a Canadian Prescription Drug Importation Program (CPDIP) resulting in costs to the Department of Consumer Protection (DCP) and the Office of the State Comptroller (OSC). The amendment requires DCP to hire a consultant to study the feasibility of establishing a CPDIP resulting in a cost of $100,000 in FY 26.

If the consultant reports that it's feasible to establish the CPDIP and the program is approved by the federal Food and Drug Administration there is a cost to DCP and OSC. To run the program, DCP will need to hire two drug control agents and one staff attorney beginning in the last three months of FY 27, for a partial year salary and other expenses costs of $84,010 along with associated fringe benefit costs of $31,147 in FY 27.

These sections also create a civil penalty of up to $10,000 for certain CPDIP violations resulting in a potential revenue gain to the state to the extent violations occur.

Sections 19-20 result in potential savings annually beginning in FY 26 to the Judicial Department, and the Departments of Mental Health and Addiction Services, Children and Families, Developmental Services and Public Health (which the bill terms "drug purchasing agencies"). Section 19 requires the Department of Administrative Services (DAS) to negotiate bulk prescription drug purchases on behalf of such agencies. Section 20 additionally allows such agencies to join interstate prescription drug purchasing compacts. To the extent that bulk prescription drug purchasing results in lower prescription drug costs to drug purchasing agencies, there is a savings that will vary based on the amount of drugs purchased, and the change in per unit costs.

Section 22 requires DSS to petition the federal Department of Health and Human Services to authorize generic, lower cost forms of GLP-1 prescription drugs to treat obesity or diabetes. If approved, the bill requires DSS to contract for such generic GLP-1 drugs to support HUSKY Health members. DSS will experience a savings to the extent a generic form of drugs otherwise utilized for those purposes are approved.

Section 24 results in a potential cost to municipalities with volunteer fire departments and/or ambulance services for the negotiated percentage of health premiums paid on behalf of a volunteer who elects coverage under such a plan provided within the municipality, beginning in FY 26.

Section 28-29 requires the Insurance Department to conduct two studies, resulting in a combined Insurance Fund cost of $125,000 to $175,000 in FY 26. The department does not have the necessary expertise and will need to hire a consultant to meet the requirements of the amendment. The required studies and associated cost estimates are: (1) a study of certain nonprofit liability insurance concepts, at an expected cost of $50,000 to $75,000 in FY 26; and (2) a study of certain homeowners insurance practices at an anticipated cost of $75,000 to $100,000 in FY 26. The Insurance Department must develop and issue reports on their findings by February 1, 2026.

The amendment also makes various changes regarding prescription drugs that result in no fiscal impact to the state.

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.