



General Assembly

Amendment

January Session, 2025

LCO No. 10567



Offered by:

REP. GARIBAY, 60th Dist.
REP. WOOD K., 29th Dist.
REP. GILCHREST, 18th Dist.
REP. BARRY, 31st Dist.
REP. MESKERS, 150th Dist.
REP. ALLIE-BRENNAN, 2nd Dist.
REP. CONSTANTINE, 42nd Dist.
REP. DATHAN, 142nd Dist.
REP. KEITT, 134th Dist.
REP. SHAKE, 120th Dist.
REP. BOLINSKY, 106th Dist.
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REP. HUGHES, 135th Dist.
REP. NOLAN, 39th Dist.
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SEN. HONIG, 8th Dist.
SEN. GORDON, 35th Dist.
SEN. LESSER, 9th Dist.
SEN. CABRERA, 17th Dist.

To: Subst. House Bill No. 6870

File No. 308

Cal. No. 210

"AN ACT ADDRESSING PATIENTS' PRESCRIPTION DRUG COSTS."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. (NEW) (*Effective October 1, 2025*) (a) Any pharmacy
4 benefits manager shall exercise good faith and fair dealing in the
5 performance of such pharmacy benefits manager's contractual duties to
6 any health carrier, as defined in section 38a-591a of the general statutes,

7 or other health benefit plan sponsor.

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

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

18 (d) The Insurance Commissioner may adopt regulations, in
19 accordance with the provisions of chapter 54 of the general statutes, to
20 implement the provisions of this section.

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 Section 38a-477cc of the general statutes is repealed and the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

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

27 (1) On and after January 1, 2018, contain a provision prohibiting or
28 penalizing, including through increased utilization review, reduced
29 payments or other financial disincentives, a pharmacist's disclosure to
30 an individual purchasing prescription medication of information
31 regarding:

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

33 (B) The availability of any therapeutically equivalent alternative
34 medications or alternative methods of purchasing the prescription
35 medication, including, but not limited to, paying a cash price, that are

36 less expensive than the cost of the prescription medication to the
37 individual; and

38 (2) On and after January 1, 2020, contain a provision permitting the
39 health carrier or pharmacy benefits manager to recoup, directly or
40 indirectly, from a pharmacy or pharmacist any portion of a claim that
41 such health carrier or pharmacy benefits manager has paid to the
42 pharmacy or pharmacist, unless such recoupment is permitted under
43 section 38a-479iii or required by applicable law.

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

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

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

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

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

57 (c) On and after January 1, 2026, a pharmacy benefits manager shall
58 offer a health plan the option of being charged the same price for a
59 prescription drug that such pharmacy benefits manager pays a
60 pharmacy for such prescription drug.

61 ~~[(c)]~~ (d) Any provision of a contract that violates the provisions of this
62 section shall be void and unenforceable. Any general business practice
63 that violates the provisions of this section shall constitute an unfair trade
64 practice pursuant to chapter 735a. The invalidity or unenforceability of

65 any contract provision under this subsection shall not affect any other
66 provision of the contract.

67 [(d)] (e) The Insurance Commissioner may:

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

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

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

73 Not later than March 1, 2021, and annually thereafter, the
74 commissioner shall prepare a report, for the immediately preceding
75 calendar year, describing the rebate practices of health carriers. The
76 report shall contain (1) an explanation of the manner in which health
77 carriers accounted for rebates in calculating premiums for health care
78 plans delivered, issued for delivery, renewed, amended or continued
79 during such year, (2) a statement disclosing whether, and describing the
80 manner in which, health carriers made rebates available to insureds at
81 the point of purchase during such year, (3) any other manner in which
82 health carriers applied rebates during such year, (4) the percentage of
83 rebate dollars used by health carriers to reduce premiums paid by
84 insureds during such year, (5) an evaluation of rebate practices to reduce
85 cost-sharing for health care plans delivered, issued for delivery,
86 renewed, amended or continued during such year, and [(4)] (6) such
87 other information as the commissioner, in the commissioner's
88 discretion, deems relevant for the purposes of this section. The
89 commissioner shall publish a copy of the report on the department's
90 Internet web site.

91 Sec. 4. (NEW) (*Effective January 1, 2026*) The Insurance Commissioner
92 shall require any health carrier, as defined in section 38a-591a of the
93 general statutes, to report to the commissioner annually on pricing in
94 effect for the prior year and profit generated between such health carrier
95 and any pharmacy benefits manager or mail-order pharmacy doing

96 business with such health carrier, provided such information is
97 reasonably available to such health carrier and any information noted
98 by such health carrier as proprietary that is reported by such health
99 carrier to the Insurance Commissioner pursuant to the provisions of this
100 section shall be kept confidential by the Insurance Commissioner, in
101 accordance with section 38a-69a of the general statutes.

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

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

108 (1) Two appointed by the speaker of the House of Representatives,
109 one of whom has expertise in prescription drug supply chains and one
110 of whom has expertise in federal law concerning prescription drug
111 shortages;

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

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

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

120 (5) One appointed by the minority leader of the House of
121 Representatives, who represents health insurance companies;

122 (6) One appointed by the minority leader of the Senate, who is a
123 representative of the Connecticut Health Insurance Exchange;

124 (7) The Commissioner of Health Strategy, or the commissioner's

125 designee;

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

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

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

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

134 (12) The Insurance Commissioner, or the commissioner's designee;

135 (13) The Commissioner of Economic and Community Development,
136 or the commissioner's designee; and

137 (14) Any other members as deemed necessary by the chairpersons of
138 the task force.

139 (c) Any member of the task force appointed under subdivision (1),
140 (2), (3), (4), (5) or (6) of subsection (b) of this section may be a member
141 of the General Assembly.

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

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

150 (f) The administrative staff of the joint standing committee of the
151 General Assembly having cognizance of matters relating to general law

152 shall serve as administrative staff of the task force.

153 (g) Not later than January 1, 2026, and annually thereafter, the task
154 force shall submit a report on its findings and recommendations to the
155 joint standing committees of the General Assembly having cognizance
156 of matters relating to general law, human services, insurance and real
157 estate and public health, in accordance with the provisions of section 11-
158 4a of the general statutes, including, but not limited to, identification of
159 prescription drugs the task force determines are at risk of shortage and
160 strategies that would mitigate these shortages, including methods to
161 increase in-state production of such drugs deemed both at risk of
162 shortage and critically necessary for the provision of health care within
163 the state.

164 Sec. 6. (NEW) (*Effective July 1, 2025*) The Commissioner of Economic
165 and Community Development may utilize bond proceeds pursuant to
166 section 32-235 of the general statutes to support prescription drug
167 production capacity in the state, provided the commissioner may give
168 preference to financial assistance applications that incorporate
169 recommendations by the task force established pursuant to section 5 of
170 this act to prevent or mitigate prescription drug shortages.

171 Sec. 7. (*Effective from passage*) (a) Not later than July 1, 2025, the
172 chairpersons of the joint standing committee of the General Assembly
173 having cognizance of matters relating to insurance, or their designees,
174 shall convene a working group to study and make recommendations for
175 legislation related to the compensation of pharmacists licensed under
176 chapter 400j of the general statutes, who provide certain health care
177 services, including, but not limited to, vaccine administration, HIV-
178 related tests, influenza-related tests and the prescribing of contraceptive
179 devices or products approved by the federal Food and Drug
180 Administration. For the purposes of this section, (1) "chain pharmacy"
181 means any community pharmacy that is publicly traded or has not less
182 than six stores located in this state, (2) "HIV-related test" and "influenza-
183 related test" have the same meanings as provided in section 20-633f of
184 the general statutes, (3) "independent pharmacy" means any privately

185 owned pharmacy that has not more than five stores located in this state,
186 (4) "pharmacist" has the same meaning as provided in section 20-571 of
187 the general statutes, and (5) "pharmacy benefits manager" has the same
188 meaning as provided in section 38a-479aaa of the general statutes.

189 (b) The working group convened pursuant to subsection (a) of this
190 section shall consist of the following members:

191 (1) The chairpersons of the joint standing committee of the General
192 Assembly having cognizance of matters relating to insurance, or their
193 designees;

194 (2) The ranking members of the joint standing committee of the
195 General Assembly having cognizance of matters relating to insurance,
196 or their designees;

197 (3) The Insurance Commissioner, or the commissioner's designee;

198 (4) The Commissioner of Consumer Protection, or the commissioner's
199 designee;

200 (5) One pharmacist licensed under chapter 400j of the general statutes
201 who is employed by any independent pharmacy;

202 (6) One pharmacist licensed under chapter 400j of the general statutes
203 who is employed by any chain pharmacy;

204 (7) One pharmacist licensed under chapter 400j of the general statutes
205 who is employed by any health system pharmacy;

206 (8) One representative of any organization representing pharmacy
207 benefits managers;

208 (9) One representative of any health insurance company doing
209 business in this state;

210 (10) One representative of any pharmaceutical company doing
211 business in this state;

- 212 (11) One faculty member of a school of pharmacy in this state;
- 213 (12) One representative of a small employer in this state that employs
214 less than fifty employees;
- 215 (13) One representative of a large employer in this state that employs
216 more than one hundred employees;
- 217 (14) One representative of the Connecticut Health Insurance
218 Exchange; and
- 219 (15) Any other members as deemed necessary by the chairpersons of
220 the joint standing committee of the General Assembly having
221 cognizance of matters relating to insurance.
- 222 (c) All initial appointments to the working group shall be made not
223 later than thirty days after the effective date of this section. Any vacancy
224 shall be filled by the appointing authority.
- 225 (d) Working group members shall be appointed by the chairpersons
226 of the joint standing committee of the General Assembly having
227 cognizance of matters relating to insurance. The administrative staff of
228 the joint standing committee of the General Assembly having
229 cognizance of matters relating to insurance shall serve as administrative
230 staff of the working group.
- 231 (e) Not later than February 1, 2026, the working group shall submit a
232 report on its findings and legislative recommendations to the joint
233 standing committee of the General Assembly having cognizance of
234 matters relating to insurance, in accordance with the provisions of
235 section 11-4a of the general statutes. The working group shall terminate
236 on the date the working group submits such report or February 1, 2026,
237 whichever is later.
- 238 Sec. 8. (NEW) (*Effective July 1, 2026*) (a) As used in this section:
- 239 (1) "Enrollee" has the same meaning as provided in section 38a-478 of
240 the general statutes;

241 (2) "Health benefit plan" has the same meaning as provided in section
242 38a-472f of the general statutes; and

243 (3) "Health carrier" has the same meaning as provided in section 38a-
244 591a of the general statutes.

245 (b) Each insurer, health care center, hospital service corporation,
246 medical service corporation, fraternal benefit society or other entity that
247 delivers, issues for delivery, renews, amends or continues an individual
248 or a group health insurance policy or health benefit plan in this state on
249 or after January 1, 2026, providing coverage of the type specified in
250 subdivisions (1), (2), (4), (11) and (12) of section 38a-469 of the general
251 statutes in this state, shall, when calculating an insured's or enrollee's
252 in-network liability for such insured's or enrollee's annual coinsurance,
253 copayment, deductible or other in-network out-of-pocket expense, give
254 credit for any out-of-pocket expense such insured or enrollee pays
255 directly to any pharmacy licensed pursuant to section 20-594 of the
256 general statutes, or health care provider licensed in this state, for any
257 prescription drug, provided (1) no claim for such prescription drug was
258 submitted to such insurer, center, corporation, society, or other entity,
259 and (2) such out-of-pocket expense paid by such insured or enrollee to
260 such pharmacy or health care provider is less than the average
261 discounted rate for such prescription drug paid to an in-network health
262 care provider pursuant to the terms of such health insurance policy or
263 health benefit plan.

264 (c) If any insured or enrollee purchases a prescription drug from any
265 out-of-network health care provider for a lower amount than the
266 average amount paid by such insured's or enrollee's health carrier to any
267 in-network health care provider for the same prescription drug, such
268 health carrier, when calculating such insured's or enrollee's liability for
269 such insured's or enrollee's in-network annual coinsurance, copayment,
270 deductible or other out-of-pocket expense, shall give credit for such
271 purchase, provided such insured or enrollee provides such health
272 carrier with proof of payment for such prescription drug in accordance
273 with the provisions of subsection (d) of this section. Nothing in this

274 subsection shall be construed to restrict any health insurance policy or
275 health benefit plan from requiring a prior authorization or
276 precertification otherwise provided for in the insured's or enrollee's
277 health insurance policy or health benefit plan.

278 (d) Each health carrier shall (1) develop a proof of payment form and
279 publish such form on such health carrier's Internet web site for insureds
280 and enrollees to submit proof of payment for any out-of-network
281 prescription drug purchase pursuant to subsection (c) of this section,
282 and (2) annually provide to such insureds and enrollees written notice
283 of, and instructions for downloading or electronic submission of, such
284 proof of payment form.

285 (e) Upon receipt of any such proof of payment form submitted by any
286 insured or enrollee pursuant to subsection (d) of this section, each health
287 carrier shall give credit for any out-of-pocket payments that such
288 insured or enrollee paid to any out-of-network pharmacy or health care
289 provider in accordance with the provisions of subsection (c) of this
290 section, provided (1) the prescription drug purchased by such insured
291 or enrollee is included under such insured's or enrollee's health
292 insurance policy or health benefit plan, and (2) such insured or enrollee
293 purchased such prescription drug for a lower price than the average
294 amount paid by such insured or enrollee's health carrier to an in-
295 network health care provider for the same prescription drug.

296 (f) The total amount credited toward any insured's or enrollee's
297 annual coinsurance, copayment, deductible or other out-of-pocket
298 expense pursuant to subsection (e) of this section shall not (1) exceed the
299 total amount that such insured or enrollee is required to pay out-of-
300 pocket under the terms of the health insurance policy or health benefit
301 plan during a policy period, and (2) carry over to a new policy period.

302 Sec. 9. (*Effective July 1, 2025*) For the purposes of this section and
303 sections 10 to 18, inclusive, of this act, unless the context otherwise
304 requires:

- 305 (1) "Canadian supplier" means a manufacturer or wholesale drug
306 distributor that is licensed or permitted under applicable Canadian law
307 to manufacture or distribute prescription drugs;
- 308 (2) "Canadian prescription drug importation program" or "program"
309 means a program under which the state would seek federal approval to
310 import prescription drugs from Canada that have the highest potential
311 for cost savings in the state;
- 312 (3) "Department" means the Department of Consumer Protection;
- 313 (4) "Drug" means an article that is (A) recognized in the official United
314 States Pharmacopoeia, official Homeopathic Pharmacopoeia of the
315 United States or official National Formulary, or any supplement thereto,
316 (B) intended for use in the diagnosis, cure, mitigation, treatment or
317 prevention of disease in humans, (C) not food and intended to affect the
318 structure or any function of the human body, and (D) not a device and
319 intended for use as a component of any article specified in
320 subparagraphs (A) to (C), inclusive, of this subdivision;
- 321 (5) "Drug Quality and Security Act" means the federal Drug Quality
322 and Security Act, 21 USC 351, et seq., as amended from time to time;
- 323 (6) "Food, Drug and Cosmetic Act" means the federal Food, Drug and
324 Cosmetic Act, 21 USC 301, et seq., as amended by the Drug Quality and
325 Security Act, as both may be amended from time to time;
- 326 (7) "Qualifying laboratory" has the same meaning as provided in 21
327 CFR 251.2;
- 328 (8) "Laboratory testing" means a quantitative and qualitative analysis
329 of a drug consistent with the applicable provisions of the official United
330 States Pharmacopoeia;
- 331 (9) "Participating Canadian supplier" means a Canadian supplier that
332 is exporting prescription drugs, in the manufacturer's original
333 container, to a participating wholesaler for distribution in this state

334 under the program;

335 (10) "Participating wholesaler" means a wholesaler that is (A)
336 designated by the Department of Consumer Protection to distribute
337 prescription drugs in the manufacturer's original container, obtained
338 from a participating Canadian supplier, and (B) participating in the
339 program;

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

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

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

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

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

352 Sec. 10. (*Effective July 1, 2025*) The Commissioner of Consumer
353 Protection shall hire, within available resources, a consultant to study
354 the feasibility of establishing a Canadian prescription drug importation
355 program to reduce prescription drug costs in the state. Not later than six
356 months after the date of final execution of a consultant contract with the
357 Department of Consumer Protection, the consultant shall recommend to
358 the commissioner whether it is more likely than not that a prescription
359 drug importation program is feasible and will result in cost savings to
360 the state. If the consultant determines such program is not likely to
361 result in a significant cost savings, the consultant shall provide a written
362 justification for such determination and may commence a feasibility
363 review of Canadian prescription drug price benchmarking; and develop

364 policy recommendations for implementing an upper payment limit for
365 prescription drugs in the state based on the Canadian price
366 benchmarking. Not later than October 1, 2027, the commissioner shall
367 file a report, in accordance with the provisions of section 11-4a of the
368 general statutes, with the joint standing committees of the General
369 Assembly having cognizance of matters relating to appropriations and
370 the budgets of state agencies, general law and human services and the
371 Office of Policy and Management on the results of the feasibility study.

372 Sec. 11. (*Effective October 1, 2027*) (a) If after completion of the study
373 described in section 10 of this act, the Commissioner of Consumer
374 Protection, in consultation with the Secretary of the Office of Policy and
375 Management, determines a Canadian prescription drug importation
376 program is feasible, the Commissioner of Consumer Protection may
377 submit a request to the federal Food and Drug Administration seeking
378 approval for the program under Section 804 of the federal Food, Drug
379 and Cosmetic Act, 21 USC 384(b) to 21 USC 384(h), inclusive, as
380 amended from time to time. If submitted, such request shall, at a
381 minimum:

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

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

387 (A) Meet all applicable federal and state standards for safety and
388 effectiveness; and

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

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

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

393 (1) Submit to the Secretary of the Office of Policy and Management,
394 and the Commissioners of Social Services and Health Strategy, a notice
395 disclosing that the federal Food and Drug Administration approved
396 such request; and

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

402 (c) The Commissioner of Consumer Protection shall not operate the
403 program unless the federal Food and Drug Administration approves the
404 request. Notwithstanding the foregoing, the department may expend
405 resources in advance of such approval to ensure efficient
406 implementation.

407 Sec. 12. (*Effective October 1, 2027*) If the Canadian prescription drug
408 importation program is established, each participating wholesaler may
409 import and distribute a prescription drug in this state from a
410 participating Canadian supplier under the program if:

411 (1) Such drug meets the federal Food and Drug Administration's
412 standards concerning drug safety, effectiveness, misbranding and
413 adulteration;

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

415 (3) Such drug is not:

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

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

420 (C) An infused drug;

421 (D) An intravenously injected drug;

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

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

426 Sec. 13. (*Effective October 1, 2027*) If a Canadian prescription drug
427 importation program is established, participating wholesalers may,
428 subject to the provisions of sections 9 to 12, inclusive, and sections 14 to
429 18, inclusive, of this act, import and distribute drugs in this state from a
430 participating Canadian supplier under the program to:

431 (1) A pharmacy or institutional pharmacy, as defined in section 20-
432 571 of the general statutes; and

433 (2) A qualifying laboratory.

434 Sec. 14. (*Effective October 1, 2027*) If a Canadian prescription drug
435 importation program is established, the Commissioner of Consumer
436 Protection shall require that each participating Canadian supplier and
437 participating wholesaler (1) comply with all applicable track-and-trace
438 requirements, and shall not distribute, dispense or sell outside of this
439 state any prescription drug that is imported into this state under the
440 program, and (2) make available to the commissioner all track-and-trace
441 records not later than forty-eight hours after the commissioner requests
442 such records.

443 Sec. 15. (*Effective October 1, 2027*) (a) A participating wholesaler in any
444 approved Canadian prescription drug importation program shall
445 ensure the safety and quality of all drugs that may be imported and
446 distributed in this state under the program. The participating
447 wholesaler shall, if such program is established:

448 (1) For each initial shipment of a drug that is imported into this state
449 by a participating wholesaler, ensure that a qualifying laboratory

450 engaged by the participating wholesaler tests a statistically valid sample
451 size for each batch of each drug in such shipment for authenticity and
452 degradation in a manner that is consistent with the Food, Drug and
453 Cosmetic Act;

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

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

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

469 (5) Maintain documentation demonstrating that the testing required
470 by this section was conducted at a qualifying laboratory in accordance
471 with the Food, Drug and Cosmetic Act and all other applicable federal
472 and state laws and regulations concerning qualifying laboratory
473 qualifications.

474 (b) The participating wholesaler shall maintain all information and
475 documentation pursuant to this section for a period of not less than three
476 years from the date of submission of such information and
477 documentation to the participating wholesaler by a qualifying
478 laboratory.

479 (c) Each participating wholesaler shall maintain all of the following
480 information for each drug that such participating wholesaler imports

481 and distributes in this state under the program, and submit such
482 information to the Commissioner of Consumer Protection upon request
483 by the commissioner:

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

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

486 (3) The date on which such participating wholesaler received such
487 drug;

488 (4) The quantity of such drug that such participating wholesaler
489 received;

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

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

492 (7) A report regarding any drug that fails qualifying laboratory
493 testing; and

494 (8) Such additional information and documentation that the
495 commissioner deems necessary to ensure the protection of the public
496 health.

497 (d) The Commissioner of Consumer Protection shall require each
498 participating Canadian supplier in any approved Canadian prescription
499 drug importation program to maintain the following information and
500 documentation and, upon request by the commissioner, submit such
501 information and documentation to the commissioner for each drug that
502 such participating Canadian supplier exports into this state under the
503 program:

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

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

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

- 507 (C) The location where such drug was manufactured;
- 508 (2) The date on which such drug was shipped;
- 509 (3) The quantity of such drug that was shipped;
- 510 (4) The quantity of each lot of such drug originally received and the
511 source of such lot;
- 512 (5) The lot or control number and the batch number assigned to such
513 drug by the manufacturer; and
- 514 (6) Such additional information and documentation that the
515 Commissioner of Consumer Protection deems necessary to ensure the
516 protection of the public health.
- 517 Sec. 16. (*Effective October 1, 2027*) (a) If the Commissioner of Consumer
518 Protection determines that public health, safety or welfare requires
519 emergency action, the commissioner may order a participating
520 Canadian supplier, participating wholesaler, relabeler, repacker and
521 qualifying laboratory to cease and desist from actions specified in the
522 order that create the need for such emergency action pending
523 administrative proceedings. Such cease and desist order shall be (1) in
524 writing; (2) signed by the Commissioner of Consumer Protection; and
525 (3) effective upon delivery to the respondent. An administrative
526 proceeding conducted in accordance with chapter 54 of the general
527 statutes shall be promptly instituted following a cease and desist order.
528 The commissioner may impose a civil penalty, in an amount not to
529 exceed ten thousand dollars, after a hearing conducted pursuant to
530 chapter 54 of the general statutes.
- 531 (b) The commissioner may require the recall, embargo or destruction,
532 pursuant to section 21a-96 of the general statutes, of any drug that was
533 imported and distributed under the program and has been identified as
534 adulterated, within the meaning of section 21a-105 of the general
535 statutes, or misbranded.

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

540 Sec. 17. (*Effective October 1, 2027*) If a Canadian prescription drug
541 importation program is established, the Commissioner of Consumer
542 Protection may adopt regulations in accordance with the provisions of
543 chapter 54 of the general statutes to implement the provisions of sections
544 9 to 16, inclusive, and section 18 of this act.

545 Sec. 18. (*Effective October 1, 2027*) Not later than one hundred eighty
546 days after the first importation of any Canadian prescription drug under
547 the importation program begins, and biannually thereafter, the
548 Commissioner of Consumer Protection shall submit a report, in
549 accordance with the provisions of section 11-4a of the general statutes,
550 to the joint standing committees of the General Assembly having
551 cognizance of matters relating to appropriations and the budgets of state
552 agencies, general law, human services and public health. Such report
553 shall describe (1) the operation of the program, if established, and (2)
554 any violation of sections 9 to 17, inclusive, of this act that resulted in any
555 action taken by the commissioner pursuant to section 16 of this act and
556 the status of the investigation into such violation.

557 Sec. 19. (NEW) (*Effective July 1, 2025*) (a) As used in this section and
558 sections 20 and 21 of this act, "drug purchasing agency" means the
559 Judicial Branch and the Department of Mental Health and Addiction
560 Services, Children and Families, Developmental Services or Public
561 Health. Except as provided in subsection (c) of this section, the
562 Department of Administrative Services shall negotiate bulk prices for
563 prescription drugs on behalf of drug purchasing agencies with the goal
564 of purchasing such drugs at lower prices than the prices of such drugs
565 purchased by a single drug purchasing agency.

566 (b) In purchasing drugs at bulk prices pursuant to this section, a drug
567 purchasing agency may enter into a compact with officials in other

568 states to increase the state's purchasing power in negotiations with
569 pharmaceutical companies.

570 (c) A drug purchasing agency may negotiate its own drug prices
571 upon demonstrating to the Commissioner of Administrative Services
572 that it is able to purchase such drugs at a cheaper price than the state's
573 bulk pricing agreements, or if operational conditions require. Such
574 demonstration shall be made in writing.

575 (d) Not later than February 1, 2026, the Commissioner of
576 Administrative Services, or the commissioner's designee, shall file a
577 report, in accordance with the provisions of section 11-4a of the general
578 statutes, with the joint standing committees of the General Assembly
579 having cognizance of matters relating to appropriations and the budgets
580 of state agencies, general law, human services and public health on any
581 savings realized from bulk purchases of prescription drugs pursuant to
582 subsection (a) of this section.

583 Sec. 20. (NEW) (*Effective July 1, 2025*) (a) As used in this section, (1)
584 "maximum fair prices" means the prices negotiated by the Centers for
585 Medicare and Medicaid Services for certain prescription drugs under
586 the Inflation Reduction Act, P.L. 117-69, and (2) "drug purchasing
587 agency" has the same meaning as provided in section 19 of this act. A
588 drug purchasing agency may incorporate as a guiding price in the
589 negotiations with a pharmaceutical drug manufacturer, the maximum
590 fair prices in any negotiation with a pharmaceutical drug manufacturer
591 to supply prescription drugs for health care programs subsidized by the
592 state.

593 (b) In purchasing drugs at bulk prices pursuant to section 19 of this
594 act or maximum fair prices pursuant to this section, a drug purchasing
595 agency may enter into a compact with officials in other states to increase
596 the state's purchasing power in negotiations with pharmaceutical
597 companies. A drug purchasing agency shall consider recommendations
598 of the council established pursuant to section 21 of this act in any
599 negotiations for prescription drugs pursuant to this section or section 19

600 of this act.

601 Sec. 21. (NEW) (*Effective October 1, 2025*) (a) There is established an
602 Advisory Council on Pharmaceutical Procurement to advise the
603 Commissioner of Administrative Services and drug purchasing
604 agencies on prescription drug negotiations pursuant to sections 19 and
605 20 of this act.

606 (b) The council shall consist of five members appointed by the
607 Governor, one of which shall be designated by the Governor to serve as
608 chairperson of the council. The council shall include members who have
609 expertise in health policy, health care economics or clinical medicine.

610 (c) All initial appointments to the council shall be made not later than
611 thirty days after the effective date of this section. Any vacancy shall be
612 filled by the appointing authority.

613 (d) The chairperson shall schedule the first meeting of the council,
614 which shall be held not later than sixty days after the effective date of
615 this section.

616 (e) No member of the council may (1) have a direct ownership or
617 investment interest in a pharmaceutical company, (2) be employed by
618 such company or participate in the management of such company, or
619 (3) receive or have the right to receive, directly or indirectly,
620 remuneration under a compensation arrangement with such company.

621 (f) Not later than January 1, 2026, and annually thereafter, the council
622 shall submit a report on its findings and recommendations to the
623 Commissioner of Administrative Services and the joint standing
624 committees of the General Assembly having cognizance of matters
625 relating to general law, human services and public health, in accordance
626 with the provisions of section 11-4a of the general statutes.

627 Sec. 22. (NEW) (*Effective from passage*) (a) Not later than thirty days
628 after the effective date of this section, the Commissioner of Social
629 Services shall petition the Secretary of the Department of Health and

630 Human Services pursuant to 28 USC 1498, as amended from time to
631 time, to authorize generic, lower cost forms of glucagon-like peptide
632 (GLP-1) prescription drugs approved by the federal Food and Drug
633 Administration to treat obesity or diabetes.

634 (b) Upon approval of such petition, the commissioner may enter into
635 a contract with any manufacturer of generic forms of such drugs
636 approved by the federal Food and Drug Administration to supply such
637 drugs to the state for use by HUSKY Health program members. The
638 commissioner may enter into a consortium with officials in other states
639 in contracting with such manufacturer for such drugs.

640 Sec. 23. Section 2-24 of the general statutes is repealed and the
641 following is substituted in lieu thereof (*Effective January 1, 2026*):

642 The words "State of Connecticut" shall be printed at the head of each
643 bill and document printed by order of the General Assembly, or either
644 house thereof, and on its title page or cover, if any. Before printed,
645 electronic or photographic copies of an original bill are made, the bill
646 shall be endorsed with (1) the date of its introduction; (2) its number; (3)
647 the name of the member or committee introducing it; and (4) the name
648 of the committee to which it was referred. Copies of bills or resolutions
649 printed or produced electronically after favorable report by a committee
650 or reprinted or produced electronically after amendment on the third
651 reading, i.e., files, shall bear the file number of such bill or resolution,
652 placed conspicuously at the head of the same, which file number shall
653 be assigned by the Legislative Commissioners' Office in the order
654 printed or produced, the number and title of the bill, the name of the
655 committee to which it was referred, the date and nature of the
656 committee's report, in any case where the bill, if passed, would (A)
657 require the expenditure of state or municipal funds, [or] (B) affect state
658 or municipal revenue, or (C) impact the premiums paid by enrollees of
659 health benefit plans offered through the exchange, as provided in
660 section 38a-1080, a fiscal note, including an estimate of the cost or of the
661 revenue impact shall be appended thereto, [and,] in any case where the
662 bill, if passed, would have a financial impact on electric ratepayers, a

663 ratepayer impact statement, as described in subsection (b) of section 2-
664 24a and, in any case where the bill, if passed, would have a financial
665 impact on the premiums paid by enrollees of health benefit plans
666 offered through the exchange, an enrollee impact statement. Such
667 enrollee impact statement shall (i) be prepared by the Office of Fiscal
668 Analysis, and (ii) provide an assessment as to whether such bill will
669 have a significant direct financial impact on the cost of premiums paid
670 for health benefit plans offered through the exchange. Such impact
671 statement shall identify whether the impact to premiums is positive or
672 negative in the current fiscal year and the next fiscal year. When a bill
673 or resolution is accompanied with a report of a committee, other than a
674 recommendation that it ought or ought not to pass, it shall then have an
675 additional endorsement, as follows: "Accompanied by special report,
676 No.-". Bills shall be designated in the calendar of each house by their file
677 numbers, as well as by the titles and numbers of the bills.

678 Sec. 24. Subsection (a) of section 7-464 of the general statutes is
679 repealed and the following is substituted in lieu thereof (*Effective October*
680 *1, 2025*):

681 (a) Any town, city or borough may, through its authorized officials,
682 provide such form or forms of group life, health and accident and
683 hospital plan benefits for its employees as it deems advisable. Any town,
684 city or borough that provides health and accident and hospital plan
685 benefits for its employees may arrange and procure the same benefits
686 for each active member of a volunteer fire company or department or
687 volunteer ambulance service or company within such town, city or
688 borough, provided the member (1) elects coverage under such plan or
689 plans, (2) pays [one hundred per cent] a percentage of the premium
690 charged as negotiated between such town, city or borough and such
691 member and any additional costs for such coverage, and (3) meets the
692 requirements for active status set forth by said town, city or borough.

693 Sec. 25. Subsection (c) of section 38a-479b of the general statutes is
694 repealed and the following is substituted in lieu thereof (*Effective January*
695 *1, 2026*):

696 (c) (1) No contracting health organization shall cancel, deny or
697 demand the return of full or partial payment for an authorized covered
698 service due to administrative or eligibility error, more than [eighteen]
699 fifteen months after the date of the receipt of a clean claim, except if:

700 (A) Such organization has a documented basis to believe that such
701 claim was submitted fraudulently by such provider;

702 (B) The provider did not bill appropriately for such claim based on
703 the documentation or evidence of what medical service was actually
704 provided;

705 (C) Such organization has paid the provider for such claim more than
706 once;

707 (D) Such organization paid a claim that should have been or was paid
708 by a federal or state program; or

709 (E) The provider received payment for such claim from a different
710 insurer, payor or administrator through coordination of benefits or
711 subrogation, or due to coverage under an automobile insurance or
712 workers' compensation policy. Such provider shall have one year after
713 the date of the cancellation, denial or return of full or partial payment to
714 resubmit an adjusted secondary payor claim with such organization on
715 a secondary payor basis, regardless of such organization's timely filing
716 requirements.

717 (2) (A) Such organization shall give at least thirty days' advance
718 notice to a provider by certified mail, return receipt requested, electronic
719 mail to such electronic mail address designated by such provider or
720 facsimile of the organization's cancellation, denial or demand for the
721 return of full or partial payment pursuant to subdivision (1) of this
722 subsection.

723 (B) If such organization demands the return of full or partial payment
724 from a provider, the notice required under subparagraph (A) of this
725 subdivision shall disclose to the provider (i) the amount that is

726 demanded to be returned, (ii) the claim that is the subject of such
727 demand, and (iii) the basis on which such return is being demanded.

728 (C) Not later than thirty days after the receipt of the notice required
729 under subparagraph (A) of this subdivision, a provider may appeal such
730 cancellation, denial or demand in accordance with the procedures
731 provided by such organization, which shall include, but not be limited
732 to, an electronic appeal process. If any such organization fails to notify
733 the provider of such organization's determination of such appeal not
734 later than fifteen business days after receipt of such appeal from such
735 provider, such appeal shall be construed in favor of such provider. Any
736 demand for the return of full or partial payment shall be stayed during
737 the pendency of such appeal.

738 (D) If there is no appeal or an appeal is denied, such provider may
739 resubmit an adjusted claim, if applicable, to such organization, not later
740 than thirty days after the receipt of the notice required under
741 subparagraph (A) of this subdivision or the denial of the appeal,
742 whichever is applicable, except that if a return of payment was
743 demanded pursuant to subparagraph (C) of subdivision (1) of this
744 subsection, such claim shall not be resubmitted.

745 (E) A provider shall have one year after the date of the written notice
746 set forth in subparagraph (A) of this subdivision to identify any other
747 appropriate insurance coverage applicable on the date of service and to
748 file a claim with such insurer, health care center or other issuing entity,
749 regardless of such insurer's, health care center's or other issuing entity's
750 timely filing requirements.

751 Sec. 26. (*Effective from passage*) (a) Not later than July 1, 2025, the
752 chairpersons of the joint standing committee of the General Assembly
753 having cognizance of matters relating to insurance, or their designees,
754 shall convene a working group to study and make recommendations for
755 legislation to design and implement a process for individuals and small
756 businesses to directly enroll in qualified health plans offered through
757 the Connecticut Health Insurance Exchange. The working group shall

758 consider (1) applicable privacy and security laws, (2) appropriate
759 enrollee disclosure requirements, including, but not limited to,
760 qualifying financial assistance resources for individuals and small
761 businesses enrolled in such qualified health plans, including tax credits,
762 reduced out-of-pocket costs and any potential income tax implications
763 for individuals and small businesses enrolled in such qualified health
764 plans, (3) necessary federal compliance measures, (4) accessibility
765 measures to ensure the exchange has access to enrollment and eligibility
766 information for purposes of oversight and compliance with federal and
767 state reporting requirements, and (5) measures to provide individuals
768 and small businesses enrolled in such qualified health plans with
769 assistance from certified enrollment experts.

770 (b) The working group convened pursuant to subsection (a) of this
771 section shall consist of the following members:

772 (1) The chairpersons of the joint standing committee of the General
773 Assembly having cognizance of matters relating to insurance, or their
774 designees;

775 (2) The ranking members of the joint standing committee of the
776 General Assembly having cognizance of matters relating to insurance,
777 or their designees;

778 (3) One representative of the Connecticut Health Insurance
779 Exchange;

780 (4) The chairperson of the board of directors of the Connecticut
781 Health Insurance Exchange, or the chairperson's designee;

782 (5) The chief executive officer of the Connecticut Health Insurance
783 Exchange, or the chief executive officer's designee;

784 (6) The Insurance Commissioner, or the commissioner's designee;

785 (7) The Commissioner of Social Services, or the commissioner's
786 designee;

787 (8) One representative of the office of the Governor;

788 (9) The Secretary of the Office of Policy and Management, or the
789 secretary's designee; and

790 (10) One representative of each health carrier that offers qualified
791 health plans through the exchange.

792 (c) All initial appointments to the working group shall be made not
793 later than thirty days after the effective date of this section. Any vacancy
794 shall be filled by the appointing authority.

795 (d) Working group members shall be appointed by the chairpersons
796 of the joint standing committee of the General Assembly having
797 cognizance of matters relating to insurance. The administrative staff of
798 the joint standing committee of the General Assembly having
799 cognizance of matters relating to insurance shall serve as administrative
800 staff of the working group.

801 (e) Not later than February 1, 2026, the working group shall submit a
802 report on its findings and legislative recommendations to the joint
803 standing committee of General Assembly having cognizance of matters
804 relating to insurance, in accordance with the provisions of section 11-4a
805 of the general statutes. The working group shall terminate on the date
806 the working group submits such report or February 1, 2026, whichever
807 is later.

808 Sec. 27. (NEW) (*Effective from passage*) (a) Not later than July 1, 2025,
809 the chairpersons of the joint standing committee of the General
810 Assembly having cognizance of matters relating to insurance, or their
811 designees, shall convene a working group to study and make
812 recommendations for legislation related to lowering the insurance
813 premiums tax pursuant to chapter 207 of the general statutes and any
814 positive economic impact that the lowering of the insurance premiums
815 tax may have on this state.

816 (b) The working group convened pursuant to subsection (a) of this

817 section shall consist of the following members:

818 (1) The chairpersons of the joint standing committee of the General
819 Assembly having cognizance of matters relating to insurance, or their
820 designees;

821 (2) The ranking members of the joint standing committee of the
822 General Assembly having cognizance of matters relating to insurance,
823 or their designees;

824 (3) The Secretary of the Office of Policy and Management, or the
825 secretary's designee;

826 (4) The Commissioner of Revenue Services, or the commissioner's
827 designee;

828 (5) The Commissioner of Economic and Community Development,
829 or the commissioner's designee;

830 (6) One representative of the office of the Governor;

831 (7) One representative of an association of health plans;

832 (8) One representative of an insurance association in this state; and

833 (9) One representative of businesses in this state.

834 (c) All initial appointments to the working group shall be made not
835 later than thirty days after the effective date of this section. Any vacancy
836 shall be filled by the appointing authority.

837 (d) Working group members shall be appointed by the chairpersons
838 of the joint standing committee of the General Assembly having
839 cognizance of matters relating to insurance. The administrative staff of
840 the joint standing committee of the General Assembly having
841 cognizance of matters relating to insurance shall serve as administrative
842 staff of the working group.

843 (e) Not later than February 1, 2026, the working group shall submit a
844 report on its findings and legislative recommendations to the joint
845 standing committee of General Assembly having cognizance of matters
846 relating to insurance, in accordance with the provisions of section 11-4a
847 of the general statutes. The working group shall terminate on the date
848 the working group submits such report or February 1, 2026, whichever
849 is later.

850 Sec. 28. (*Effective from passage*) The Insurance Commissioner shall
851 study the feasibility of (1) allowing one or more nonprofit entities to
852 pool such nonprofit entities' liability insurance policies, including
853 general liability insurance and automobile liability insurance, and (2)
854 establishing a captive insurance company to insure the risk of such pool.
855 Not later than February 1, 2026, the Insurance Commissioner shall
856 report, in accordance with the provisions of section 11-4a of the general
857 statutes, to the joint standing committee of the General Assembly
858 having cognizance of matters relating to insurance on the findings of
859 such study.

860 Sec. 29. (*Effective from passage*) The Insurance Commissioner shall
861 conduct a study of homeowners insurance practices that require
862 policyholders to make repairs or modifications to such policyholders'
863 residential properties as a condition of granting or maintaining
864 homeowners insurance coverage, including an examination of the
865 frequency and nature of such practices, any financial impact on such
866 policyholders, the reasonableness and necessity of required
867 modifications to residential homes and related homeowners insurance
868 practices in other states. Not later than February 1, 2026, the Insurance
869 Commissioner shall submit a report, in accordance with the provisions
870 of section 11-4a of the general statutes, to the joint standing committee
871 of the General Assembly having cognizance of matters relating to
872 insurance on the findings of such study."

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| <p>This act shall take effect as follows and shall amend the following sections:</p> |
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|-----------|------------------------|-------------|
| Section 1 | <i>October 1, 2025</i> | New section |
| Sec. 2 | <i>January 1, 2026</i> | 38a-477cc |
| Sec. 3 | <i>October 1, 2025</i> | 38a-479ttt |
| Sec. 4 | <i>January 1, 2026</i> | New section |
| Sec. 5 | <i>from passage</i> | New section |
| Sec. 6 | <i>July 1, 2025</i> | New section |
| Sec. 7 | <i>from passage</i> | New section |
| Sec. 8 | <i>July 1, 2026</i> | New section |
| Sec. 9 | <i>July 1, 2025</i> | New section |
| Sec. 10 | <i>July 1, 2025</i> | New section |
| Sec. 11 | <i>October 1, 2027</i> | New section |
| Sec. 12 | <i>October 1, 2027</i> | New section |
| Sec. 13 | <i>October 1, 2027</i> | New section |
| Sec. 14 | <i>October 1, 2027</i> | New section |
| Sec. 15 | <i>October 1, 2027</i> | New section |
| Sec. 16 | <i>October 1, 2027</i> | New section |
| Sec. 17 | <i>October 1, 2027</i> | New section |
| Sec. 18 | <i>October 1, 2027</i> | New section |
| Sec. 19 | <i>July 1, 2025</i> | New section |
| Sec. 20 | <i>July 1, 2025</i> | New section |
| Sec. 21 | <i>October 1, 2025</i> | New section |
| Sec. 22 | <i>from passage</i> | New section |
| Sec. 23 | <i>January 1, 2026</i> | 2-24 |
| Sec. 24 | <i>October 1, 2025</i> | 7-464(a) |
| Sec. 25 | <i>January 1, 2026</i> | 38a-479b(c) |
| Sec. 26 | <i>from passage</i> | New section |
| Sec. 27 | <i>from passage</i> | New section |
| Sec. 28 | <i>from passage</i> | New section |
| Sec. 29 | <i>from passage</i> | New section |