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## OLR Bill Analysis

### sHB 5375 (as amended by House "A")\*

#### ***AN ACT CONCERNING THE RECOMMENDATIONS OF THE INSURANCE AND REAL ESTATE COMMITTEE WORKING GROUPS.***

#### **SUMMARY**

This bill generally requires health carriers, third-party administrators, and pharmacy benefits managers (PBMs) covering benefits under a health benefit plan in Connecticut to (1) reimburse pharmacists for covered clinical services and (2) include them in reimbursement processes and provider networks. It authorizes the insurance commissioner to adopt regulations to implement its provisions on pharmacists' compensation.

The bill also requires the commissioner, within available appropriations, to:

1. study the feasibility of (a) allowing nonprofits to pool their liability insurance policies; (b) establishing a captive insurance company, risk management agency, or a program to insure the pool's risk; and (c) establishing any other insurance program to address state-contracted nonprofits' needs;
2. develop a proposed plan to establish the company, agency, or program described above and a related financial analysis; and
3. report on the study, proposed plan, and financial analysis to the legislature, by November 1, 2026.

\*House Amendment "A" (1) adds the requirement that the commissioner's nonprofit liability insurance study be prepared within available appropriations and include a proposed plan, financial analysis, related legislative recommendations, and a funding needs assessment; (2) advances the study's due date from February 1, 2027, to

November 1, 2026; (3) expands the committees that must receive the study; and (4) makes minor changes to the study and pharmacist compensation provisions.

EFFECTIVE DATE: January 1, 2028, except the provision on the insurance commissioner's study is effective upon passage.

## **PHARMACISTS' COMPENSATION**

By law, licensed pharmacists are recognized as health care providers. The bill provides for their compensation when they deliver covered clinical services under certain health plans.

### ***Clinical Services Reimbursement***

Specifically, the bill (1) requires health carriers, third-party administrators, and PBMs covering benefits under a health benefit plan (see below) in Connecticut to include pharmacists in reimbursement processes and provider networks to reimburse them for covered clinical services and (2) prohibits these entities from denying pharmacists reimbursement for clinical services under specified circumstances. The bill specifies that it does not require coverage of any service not otherwise covered under the plan.

***Applicability.*** The bill applies to any insurance company, fraternal benefit society, hospital service corporation, medical service corporation, health care center, or other entity subject to Connecticut insurance laws and regulations ("health carrier"). It also applies to (1) third-party administrators and (2) PBMs that administer the prescription drug, prescription device, or pharmacist services portion of a health benefit plan on behalf of plan sponsors, such as self-insured employers, insurance companies, labor unions, and health care centers.

***Health Benefit Plan.*** Under the bill, a "health benefit plan" is an insurance policy or contract offered, delivered, issued for delivery, renewed, amended, or continued in Connecticut by a health carrier to provide, deliver, pay for, or reimburse health care service costs. Coverage for certain types of benefits is expressly excluded, such as disability, specified accident or accident only, long term care, Medicare

or TriCare supplement, travel health, any single service ancillary health (for example, vision, dental, or prescription drug coverage), or certain other limited scope, supplemental, or fixed indemnity benefits.

### ***Covered Clinical Service***

Under the bill, a “covered clinical service” is any service or procedure (1) within the scope of the pharmacist’s license and (2) covered under the health benefit plan’s terms when done by any other licensed health care provider.

The bill prohibits a health carrier, third-party administrator, or PBM from denying reimbursement for any clinical service solely because the service (1) is provided by a pharmacist according to their scope of practice and license and (2) would otherwise be eligible for reimbursement if provided by a physician, physician assistant, or advanced practice registered nurse.

### ***Credentialing and Contracting Standards***

The bill specifies that it does not prevent health carriers, third-party administrators, and PBMs from setting reasonable participation, credentialing, and contracting standards for pharmacists.

## **NONPROFITS’ LIABILITY INSURANCE**

### ***Proposed Plan***

The bill requires the commissioner to develop a proposed plan to establish a captive insurance company, risk management agency, or a program to insure nonprofits who pool their liability insurance policies. The proposed plan must assess the appropriate structure of the company, agency, or program to ensure its financial and operational viability, including:

1. a process for collecting relevant data from participating nonprofits;
2. an actuarial analysis of any risks to be underwritten by the company, agency, or program;
3. a plan design; and

4. any other factors the commissioner deems appropriate.

### ***Financial Analysis***

Under the bill, the commissioner's financial analysis of the company, agency, or program, must include:

1. an estimate of the initial investment required to ensure that they
  - (a) meet any applicable statutory operating ratios in the state's insurance laws and
  - (b) are fully operational as Connecticut-licensed insurers or reinsurers and
2. estimates of future premium costs for participating nonprofits.

### ***Report to the Legislature***

By November 1, 2026, the bill requires the commissioner to report to the Appropriations; Finance, Revenue and Bonding; Human Services; and Insurance and Real Estate committees on the feasibility study, proposed plan, and financial analysis. The commissioner's report must include (1) any recommendations for legislative action required to establish the company, agency, or program and (2) an assessment of funding needed for implementation and any future investment in them.

## **BACKGROUND**

### ***Legislative History***

The House referred the bill (File 243) to the Judiciary Committee, which reported a substitute that eliminates provisions that (1) give immunity from civil liability, under certain circumstances, to nonprofit human services providers that contract with the state through a purchase of service contract and (2) require the insurance commissioner to examine the impact of insurance claim litigation and report his findings to the legislature by February 1, 2027.

**COMMITTEE ACTION**

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 13 Nay 0 (03/12/2026)

Judiciary Committee

Joint Favorable Substitute

Yea 40 Nay 0 (04/10/2026)