
OLR Bill Analysis

sHB 5375

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

SUMMARY

This bill makes unrelated changes affecting the liability of nonprofit human services contractors' and the compensation of pharmacists for certain covered services.

Specifically, the bill does the following:

1. gives immunity from civil liability, under certain circumstances, to nonprofit human services providers that contract with the state through a purchase of service contract;
2. requires health carriers, third-party administrators, and pharmacy benefits managers (PBMs) covering benefits under a health benefit plan in Connecticut to (a) reimburse pharmacists for covered clinical services and (b) include them in reimbursement processes and provider networks; and
3. authorizes the insurance commissioner to adopt implementing regulations regarding pharmacists' compensation.

Lastly, the bill also requires the commissioner to (1) study the feasibility of allowing nonprofit entities to pool their liability; (2) examine the impact of insurance claim litigation; and (3) report his findings to the legislature by February 1, 2027.

EFFECTIVE DATE: October 1, 2026, except the provisions on pharmacists' compensation are effective January 1, 2028, and the insurance commissioner's studies are effective upon passage.

NONPROFIT PROVIDERS' CIVIL IMMUNITY

The bill gives immunity from civil liability, under certain circumstances, to nonprofit human services providers that contract with the state through a purchase of service contract. Specifically, the bill explicitly states that while the provider is performing its contractual obligations, it is not liable for injury to any person or property that is caused by a state official's, state employee's, or third-party's negligent act or omission.

These protections apply to any nonprofit provider that contracts with the state to provide health and human services, such as behavioral health services and services for people with physical, intellectual, or developmental disabilities, including autism spectrum disorder.

Under the bill, a "purchase of service contract" is one between a state agency and a private provider organization (not an individual) or municipality for direct health and human services for agency clients. Generally, this does not include administrative or clerical services, material goods, training, or consulting services. A state agency is any state department, board, council, commission, institution, or other executive branch agency.

PHARMACISTS' COMPENSATION

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

Clinical Services Reimbursement

Specifically, the bill requires health carriers, third-party administrators, and PBMs covering benefits under a health benefit plan (see below) in Connecticut to (1) reimburse pharmacists for covered clinical services (see below) and (2) include them in reimbursement processes and provider networks. The bill explicitly states that it should not be construed to 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 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. Lastly, it also applies to third-party administrators.

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

The bill prohibits a health carrier, third-party administrator, or PBM from denying reimbursement for any covered clinical service solely based on the type or scope of the provider’s license.

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.

INSURANCE COMMISSIONERS’ STUDIES

The bill requires the commissioner to study liability pooling as an

option for nonprofit entities and the impact of claim litigation.

Liability Pooling

The bill specifically requires the commissioner to (1) study the feasibility of allowing one or more nonprofit entities to pool their liability insurance policies, including general liability insurance and automobile liability insurance, and establishing a captive insurance company or program to insure the pool’s risk and (2) by February 1, 2027, report his findings to the Insurance and Real Estate Committee.

Insurance Claim Litigation

Regarding the study on the impact of insurance claim litigation, the commissioner must examine the extent to which insurance premium costs and claim severity are affected by third-party litigation funding, settlement tactics, and factors increasing litigation costs. The commissioner must report his findings to the Insurance and Real Estate and Judiciary committees by February 1, 2027.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 13 Nay 0 (03/12/2026)