



General Assembly

January Session, 2001

Committee Bill No. 864

LCO No. 4829

Referred to Committee on Select Committee on Aging

Introduced by:
(AGE)

AN ACT CONCERNING CONNPACE PART B.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 17b-490 of the general statutes is repealed and the
2 following is substituted in lieu thereof:

3 As used in sections 17b-490 to 17b-498, inclusive, as amended by
4 this act:

5 (a) "Pharmacy" means a pharmacy licensed under section 20-594 or
6 a pharmacy located in a health care institution, as defined in
7 subsection (a) of section 19a-490, which elects to participate in Part A
8 and Part B of the program;

9 (b) "Prescription drugs" means (1) legend drugs, as defined in
10 section 20-571, (2) any other drugs which by state law or regulation
11 require the prescription of a licensed practitioner for dispensing,
12 except products prescribed for cosmetic purposes as specified in
13 regulations adopted pursuant to section 17b-494, as amended by this
14 act, and on and after September 15, 1991, diet pills, smoking cessation
15 gum, contraceptives, multivitamin combinations, cough preparations

16 and antihistamines, and (3) insulin, insulin syringes and insulin
17 needles;

18 (c) "Reasonable cost" means the cost of the prescription drug
19 determined in accordance with the formula adopted by the
20 Commissioner of Social Services in regulations for medical assistance
21 purposes plus a dispensing fee equal to the fee determined by said
22 commissioner for medical assistance purposes;

23 (d) "Resident" means a person legally domiciled within the state for
24 a period of not less than one hundred eighty-three days immediately
25 preceding the date of application for inclusion in Part A or Part B of
26 the program. Mere seasonal or temporary residences within the state,
27 of whatever duration, shall not constitute domicile;

28 (e) "Disabled" means a person over eighteen years of age who is
29 receiving disability payments pursuant to either Title 2 or Title 16 of
30 the Social Security Act of 1935, as amended;

31 (f) "Commissioner" means the Commissioner of Social Services;

32 (g) "Income" means adjusted gross income as determined for
33 purposes of the federal income tax plus any other income of such
34 person not included in such adjusted gross income minus Medicare
35 Part B premium payments. The amount of any Medicaid payments
36 made on behalf of such person or the spouse of such person shall not
37 constitute income;

38 (h) "Program" means Part A and Part B of the Connecticut
39 Pharmaceutical Assistance Contract to the Elderly and the Disabled
40 Program otherwise known as ConnPACE. The program shall consist of
41 Part A and Part B;

42 (i) "Pharmaceutical manufacturer" means any entity holding legal
43 title to or possession of a national drug code number issued by the
44 federal Food and Drug Administration;

45 (j) "Average manufacturer price" means the average price paid by a
46 wholesaler to a pharmaceutical manufacturer, after the deduction of
47 any customary prompt payment discounts, for a product distributed
48 for retail sale.

49 Sec. 2. Section 17b-491 of the general statutes is repealed and the
50 following is substituted in lieu thereof:

51 (a) There shall be a "Connecticut Pharmaceutical Assistance
52 Contract to the Elderly and the Disabled Program", Part A and Part B,
53 which shall be within the Department of Social Services. [The] Part A
54 of the program shall consist of payments by the state to pharmacies for
55 the reasonable cost of prescription drugs dispensed to eligible persons
56 minus a copayment charge, effective July 1, 1993, of twelve dollars for
57 each prescription dispensed under Part A of the program. The
58 pharmacy shall collect the copayment charge from the eligible person
59 at the time of each purchase of prescription drugs, and shall not waive,
60 discount or rebate in whole or in part such amount. Part B of the
61 program shall consist of a drug benefit that allows recipients to
62 purchase prescriptions at the average wholesale cost less a blended
63 discount.

64 (b) Notwithstanding the provisions of subsection (a) of this section,
65 effective September 15, 1991, payment by the state to a pharmacy
66 under Part A of the program may be based on the price paid directly
67 by a pharmacy to a pharmaceutical manufacturer for drugs dispensed
68 under the program minus the copayment charge, plus the dispensing
69 fee, if the direct price paid by the pharmacy is lower than the
70 reasonable cost of such drugs.

71 (c) Effective September 15, 1991, reimbursement to a pharmacy for
72 prescription drugs dispensed under Part A of the program shall be
73 based upon actual package size costs of drugs purchased by the
74 pharmacy in units larger than or smaller than one hundred.

75 (d) The commissioner shall establish an application form whereby a

76 pharmaceutical manufacturer may apply to participate in the program.
77 Participation in the program shall require participation in both Part A
78 and Part B. Upon receipt of a completed application, the department
79 shall issue a certificate of participation to the manufacturer.
80 Participation by a pharmaceutical manufacturer shall require that the
81 department shall receive a rebate from the pharmaceutical
82 manufacturer. Rebate amounts for brand name prescription drugs
83 shall be equal to those under the Medicaid program. Rebate amounts
84 for generic prescription drugs shall be established by the
85 commissioner, provided such amounts may not be less than those
86 under the Medicaid program. A participating pharmaceutical
87 manufacturer shall make quarterly rebate payments to the department
88 for the total number of dosage units of each form and strength of a
89 prescription drug which the department reports as reimbursed to
90 providers of prescription drugs, provided such payments shall not be
91 due until thirty days following the manufacturer's receipt of utilization
92 data from the department including the number of dosage units
93 reimbursed to providers of prescription drugs during the quarter for
94 which payment is due.

95 (e) All prescription drugs of a pharmaceutical manufacturer that
96 participates in the program pursuant to subsection (d) of this section
97 shall be subject to prospective drug utilization review. Any
98 prescription drug of a manufacturer that does not participate in the
99 program shall not be reimbursable, unless the department determines
100 the prescription drug is essential to program participants.

101 Sec. 3. Section 17b-492 of the general statutes is repealed and the
102 following is substituted in lieu thereof:

103 (a) Eligibility for participation in Part A of the program shall be
104 limited to any resident (1) who is sixty-five years of age or older or
105 who is disabled, (2) whose annual income, if unmarried, is less than
106 thirteen thousand eight hundred dollars, or whose annual income, if
107 married, when combined with that of [his] such resident's spouse is

108 less than sixteen thousand six hundred dollars, (3) who is not insured
109 under a policy which provides full or partial coverage for prescription
110 drugs once a deductible amount is met, and (4) on and after September
111 15, 1991, who pays an annual twenty-five-dollar registration fee to the
112 Department of Social Services. On January 1, 1998, and annually
113 thereafter, the commissioner shall, by the adoption of regulations in
114 accordance with chapter 54, increase the income limits established
115 under this subsection over those of the previous fiscal year to reflect
116 the annual inflation adjustment in Social Security income, if any. Each
117 such adjustment shall be determined to the nearest one hundred
118 dollars.

119 (b) Eligibility for participation in Part B of the program shall be
120 limited to any resident (A) who is sixty-five years of age or older or
121 who is disabled, (B) who does not qualify for Part A of the program,
122 (C) who is not insured under a policy that provides full or partial
123 coverage for prescription drugs once a deductible amount is met, (D)
124 whose annual income, if unmarried, is no more than four hundred per
125 cent of the federal poverty level for a single individual or whose
126 annual income, if married, when combined with that of such resident's
127 spouse is no more than four hundred per cent of the federal poverty
128 level for a married couple, and (E) who pays an annual registration fee
129 in the amount of twenty-five dollars to the Department of Social
130 Services. In determining income eligibility under this subsection,
131 annual income shall be reduced by the amount of verified annual
132 prescription costs for any applicant. On January 1, 2002, and annually
133 thereafter, the commissioner shall, by the adoption of regulations in
134 accordance with chapter 54, increase the income limits established
135 under this subsection over those of the previous fiscal year to reflect
136 the annual inflation adjustment in Social Security income, if any. Each
137 such adjustment shall be determined to the nearest one hundred
138 dollars.

139 ~~[(b)]~~ (c) Payment for a prescription under the program shall be
140 made only if no other plan of insurance or assistance is available to an

141 eligible person for such prescription at the time of dispensing. The
142 pharmacy shall make reasonable efforts to ascertain the existence of
143 other insurance or assistance.

144 [(c)] (d) Any eligible resident who (1) is insured under a policy
145 which provides full or partial coverage for prescription drugs and (2)
146 expects to exhaust such coverage, may apply to participate in the
147 program prior to the exhaustion of such coverage. Such application
148 shall be valid for the applicable income year. To be included in the
149 program, on or after the date the applicant exhausts such coverage, [he
150 or his] the applicant or the applicant's designee shall notify the
151 department that such coverage is exhausted and, if required by the
152 department, shall submit evidence of exhaustion of coverage. Not later
153 than ten days after an eligible resident submits such evidence, [he]
154 such resident shall be included in Part A or Part B of the program. The
155 program shall (A) cover prescriptions that are not covered by any
156 other plan of insurance or assistance available to the eligible resident
157 and that meet the requirements of this chapter, and (B) retroactively
158 cover such prescriptions filled after or concurrently with the
159 exhaustion of such coverage. Nothing in this subsection shall be
160 construed to prevent a resident from applying to participate in Part A
161 or Part B of the program as otherwise permitted by this chapter and
162 regulations adopted pursuant to this chapter.

163 [(d)] (e) The Commissioner of Social Services may adopt
164 regulations, in accordance with the provisions of chapter 54, to
165 implement the provisions of subsection (c) of this section. Such
166 regulations may provide for the electronic transmission of relevant
167 coverage information between a pharmacist and the department or
168 between an insurer and the department in order to expedite
169 applications and notice.

170 Sec. 4. Section 17b-493 of the general statutes is repealed and the
171 following is substituted in lieu thereof:

172 A pharmacist shall, except as limited by subsection (c) of section 20-

173 619 and section 17b-274, substitute a therapeutically and chemically
174 equivalent generic drug product for a prescribed drug product when
175 filling a prescription for an eligible person under Part A or Part B of
176 the program.

177 Sec. 5. Section 17b-494 of the general statutes is repealed and the
178 following is substituted in lieu thereof:

179 The Commissioner of Social Services shall adopt regulations, in
180 accordance with the provisions of chapter 54, to establish (1) a system
181 for determining eligibility and disqualification under Part A and Part B
182 of the program, including provisions for an identification number and
183 a renewable, nontransferable identification card; (2) requirements for
184 the use of the identification number and card by the pharmacy and the
185 eligible person; (3) a system of payments; (4) limitations on the
186 maximum quantity per prescription which shall not exceed a thirty-
187 day supply or one hundred twenty oral dosage units whichever is
188 greater; (5) requirements as to records to be kept by the pharmacy,
189 including patient profiles; (6) products prescribed for cosmetic and
190 other purposes which shall not be covered under the program; and (7)
191 such other provisions as are necessary to implement the provisions of
192 sections 17b-490 to 17b-495, inclusive, as amended by this act.

193 Sec. 6. Section 17b-495 of the general statutes is repealed and the
194 following is substituted in lieu thereof:

195 (a) The commissioner may enter into an agreement with a fiscal
196 intermediary [which] that may be an agency of the state, or a person,
197 firm or public or nonprofit corporation, for the administration of the
198 whole or any part of Part A and Part B of the program. Any such
199 contract shall be subject to the provisions of sections 4a-57 and 4a-59,
200 except that preference shall be given to persons, firms or corporations
201 doing business in the state.

202 (b) The contract shall require the fiscal intermediary to submit
203 quarterly reports to the commissioner on the operation of Part A and

204 Part B of the program, including financial and utilization statistics as to
205 drug use by therapeutic category, actuarial projections, an outline of
206 problems encountered in the administration of the program and
207 suggested solutions to the same and any recommendations to enhance
208 the program.

209 (c) The commissioner shall verify the propriety and reasonableness
210 of payments to providers, through field audit examinations and other
211 reasonable means, to the extent possible within available
212 appropriations. The commissioner shall submit an annual report, on or
213 before February first of each year, to the Secretary of the Office of
214 Policy and Management and the chairpersons of the joint standing
215 committee of the General Assembly having cognizance of matters
216 relating to appropriations and the budgets of state agencies outlining
217 the program for carrying out such verifications and including the
218 results of such verifications.

219 (d) The commissioner shall submit quarterly reports, within thirty
220 days after the end of each fiscal quarter, to the Governor and the
221 chairpersons of the joint standing committees of the General Assembly
222 having cognizance of matters relating to appropriations and the
223 budgets of state agencies and public health. The report shall include a
224 copy of the most recent report of the fiscal intermediary, if any, and (1)
225 the number of consumers eligible for Part A and Part B of the program,
226 (2) the number of consumers utilizing Part A and Part B of the
227 program, (3) an outline of and a report on the educational outreach
228 program, (4) the number of appeals, (5) an outline of problems
229 encountered in the administration of Part A and Part B of the program
230 and suggested solutions and any recommendations to enhance Part A
231 and Part B of the program.

232 Sec. 7. Section 17b-496 of the general statutes is repealed and the
233 following is substituted in lieu thereof:

234 Any person aggrieved by any action of the commissioner in
235 connection with the administration of Part A or Part B of the program

236 shall have a right to a hearing before the commissioner in accordance
237 with the provisions of chapter 54.

238 Sec. 8. Section 17b-498 of the general statutes is repealed and the
239 following is substituted in lieu thereof:

240 The Commissioner of Social Services shall undertake an educational
241 outreach program to make known the provisions of Part A and Part B
242 of the program to the public, with emphasis on reaching the elderly
243 and the disabled in the state through the various local and state-wide
244 agencies and organizations concerned with the elderly and the
245 disabled, and to all pharmacies and physicians in the state.

246 Sec. 9. This act shall take effect July 1, 2001.

Statement of Purpose:

To create a true ConnPACE Part B program.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

Co-Sponsors: SEN. PRAGUE, 19th Dist.; REP. VILLANO, 91st Dist.
REP. BEALS, 88th Dist.