



**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 Section 17b-490 of the general statutes is repealed and the  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-494 of the general statutes is repealed and the  
171 following is substituted in lieu thereof:

172 The Commissioner of Social Services shall adopt regulations, in  
173 accordance with the provisions of chapter 54, to establish (1) a system  
174 for determining eligibility and disqualification under Part A and Part B  
175 of the program, including provisions for an identification number and  
176 a renewable, nontransferable identification card; (2) requirements for  
177 the use of the identification number and card by the pharmacy and the  
178 eligible person; (3) a system of payments; (4) limitations on the  
179 maximum quantity per prescription which shall not exceed a thirty-  
180 day supply or one hundred twenty oral dosage units whichever is

181 greater; (5) requirements as to records to be kept by the pharmacy,  
182 including patient profiles; (6) products prescribed for cosmetic and  
183 other purposes which shall not be covered under the program; and (7)  
184 such other provisions as are necessary to implement the provisions of  
185 sections 17b-490 to 17b-495, inclusive, as amended by this act.

186 Sec. 5. Section 17b-495 of the general statutes is repealed and the  
187 following is substituted in lieu thereof:

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

195 (b) The contract shall require the fiscal intermediary to submit  
196 quarterly reports to the commissioner on the operation of Part A and  
197 Part B of the program, including financial and utilization statistics as to  
198 drug use by therapeutic category, actuarial projections, an outline of  
199 problems encountered in the administration of the program and  
200 suggested solutions to the same and any recommendations to enhance  
201 the program.

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

212 (d) The commissioner shall submit quarterly reports, within thirty

213 days after the end of each fiscal quarter, to the Governor and the  
214 chairpersons of the joint standing committees of the General Assembly  
215 having cognizance of matters relating to appropriations and the  
216 budgets of state agencies and public health. The report shall include a  
217 copy of the most recent report of the fiscal intermediary, if any, and (1)  
218 the number of consumers eligible for Part A and Part B of the program,  
219 (2) the number of consumers utilizing Part A and Part B of the  
220 program, (3) an outline of and a report on the educational outreach  
221 program, (4) the number of appeals, (5) an outline of problems  
222 encountered in the administration of Part A and Part B of the program  
223 and suggested solutions and any recommendations to enhance Part A  
224 and Part B of the program.

225 Sec. 6. Section 17b-496 of the general statutes is repealed and the  
226 following is substituted in lieu thereof:

227 Any person aggrieved by any action of the commissioner in  
228 connection with the administration of Part A or Part B of the program  
229 shall have a right to a hearing before the commissioner in accordance  
230 with the provisions of chapter 54.

231 Sec. 7. Section 17b-498 of the general statutes is repealed and the  
232 following is substituted in lieu thereof:

233 The Commissioner of Social Services shall undertake an educational  
234 outreach program to make known the provisions of Part A and Part B  
235 of the program to the public, with emphasis on reaching the elderly  
236 and the disabled in the state through the various local and state-wide  
237 agencies and organizations concerned with the elderly and the  
238 disabled, and to all pharmacies and physicians in the state.

239 Sec. 8. This act shall take effect July 1, 2001.

<b>AGE</b>	<i>Joint Favorable C/R</i>	HS
<b>HS</b>	<i>Joint Favorable Subst. C/R</i>	APP

