



General Assembly

Substitute Bill No. 5639

February Session, 2002

**AN ACT CONCERNING LOWER DRUG COSTS FOR CONSUMERS
AND THE STATE.**

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

1 Section 1. (NEW) (*Effective July 1, 2002*) (a) There is established an
2 Affordable Prescription Drug Board. The board shall consist of: (1)
3 Three members appointed by the speaker of the House of
4 Representatives, at least one of whom is a pharmacist licensed in
5 Connecticut; (2) three members appointed by the president pro
6 tempore of the Senate, at least one of whom is a representative of a
7 pharmaceutical company with manufacturing operations in
8 Connecticut; (3) three members appointed by the majority leader of the
9 House of Representatives, at least one of whom is a representative of a
10 hospital licensed in Connecticut; (4) three members appointed by the
11 minority leader of the House of Representatives, at least one of whom
12 is a physician licensed in Connecticut; (5) three members appointed by
13 the majority leader of the Senate, at least one of whom is a
14 representative of a health insurer licensed in Connecticut; (6) three
15 members appointed by the minority leader of the Senate, at least one of
16 whom is a health care provider other than a physician licensed in
17 Connecticut with prescriptive authority; (7) two members appointed
18 by the Governor; and (8) the Commissioner of Social Services, or the
19 commissioner's designee. At least one member appointed by each
20 person pursuant to this subsection shall be a consumer that purchases
21 prescription drugs and who is not a health care provider and

22 pharmacist and who is not employed or was not formerly employed
23 by any pharmaceutical drug manufacturer or distributor or pharmacy.
24 At the first meeting of the board, and annually thereafter, the members
25 shall elect two members to serve as cochairpersons of the board. The
26 Department of Social Services shall provide such staff as is necessary
27 for the performance of the functions and duties of the board.

28 (b) Not later than January 1, 2003, and annually thereafter, the board
29 shall distribute the wholesale price, the Canadian wholesale price, the
30 federal Supply Schedule price, retail prices in Connecticut, the prices
31 charged to other governmental agencies, health care facilities, health
32 insurance companies and other purchasers, and such other
33 information as the board deems relevant for the fifty prescription
34 drugs with the highest sales volume sold through the ConnPACE
35 program.

36 (c) The board shall distribute the information gathered pursuant to
37 subsection (b) of this section to all retail pharmacies in this state and
38 the Commissioner of Social Services shall post such schedule on the
39 Department of Social Services' Internet web site.

40 (d) The Commissioner of Social Services shall submit a report to the
41 board and the General Assembly in accordance with section 11-4a of
42 the general statutes not later than September 1, 2002, and annually
43 thereafter, detailing state options for lowering drug prices for the state
44 of Connecticut, businesses and consumers. Such report shall detail
45 major strategies used in other states to lower drug prices and the effect
46 of such strategies on health access, including, but not limited to,
47 negotiation of supplemental Medicaid rebates, bulk purchasing of
48 medications in-state or through multi-state pools, accessing Medicaid
49 rebates for consumers and pharmacies through federal Medicaid
50 waivers, variations of pharmacy assistance programs and benefits
51 offered, expansion of state and private consumer assistance and
52 discount programs, strategies used to access federal pricing schedules
53 and expand programs established pursuant to 42 USC 256b, and local
54 programs to provide discounts to subsets of residents, and any other

55 findings and recommendations as the Commissioner of Social Services
56 deems appropriate. Such report shall include comment on available
57 processes for public input for each strategy highlighted. The board,
58 with the chairs and ranking members of the committees of cognizance,
59 shall conduct a public hearing before the commencement of the
60 legislative session to evaluate the options contained in the report.

61 Sec. 2. (NEW) (*Effective July 1, 2002*) On or before March 31, 2003,
62 and annually thereafter, any manufacturer of prescription drugs which
63 were sold in this state during the preceding calendar year shall file a
64 report with the Affordable Prescription Drug Board established
65 pursuant to section 1 of this act. Such report shall disclose the
66 aggregate amount of expenses for advertising in newspapers and on
67 radio and television stations based in Connecticut and promotions to
68 health care providers, whose offices are based in Connecticut, of
69 prescription drugs for the preceding calendar year. For purposes of
70 this section, promotions include free samples, media events, gifts,
71 trips, conferences or meals. The annual report shall list expenses for
72 promotions by such categories and such other categories as the
73 manufacturer may determine appropriate. No later than thirty days
74 after receipt of such report, the board shall file such report with the
75 joint standing committee of the General Assembly having cognizance
76 of matters relating to human services. The Affordable Prescription
77 Drug Board shall prescribe the form for such report for use by such
78 manufacturers.

79 Sec. 3. Section 104 of public act 01-9 of the June special session is
80 repealed and the following is substituted in lieu thereof (*Effective July*
81 *1, 2002*):

82 The Commissioner of Social Services shall, within available
83 appropriations, make information available to senior citizens and
84 disabled persons concerning any pharmaceutical company's drug
85 program for indigent persons by utilizing the ConnPACE program, the
86 CHOICES health insurance counseling and assistance program, as
87 defined in section 17b-427a, and Infoline of Connecticut to deliver such

88 information. The commissioner, with advice from the Affordable
89 Prescription Drug Board established pursuant to section 1 of this act,
90 shall coordinate state public assistance health plan benefits through
91 use of such programs, and shall work with the pharmaceutical
92 manufacturers to facilitate the use of a single application form for such
93 programs.

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| This act shall take effect as follows: | |
| Section 1 | <i>July 1, 2002</i> |
| Sec. 2 | <i>July 1, 2002</i> |
| Sec. 3 | <i>July 1, 2002</i> |

Statement of Legislative Commissioners:

In subsection (b) of section 1, the phrase "ConnPACE Part A and Part B programs" was changed to "ConnPACE program" for accuracy and consistency with the general statutes.

GAE *Joint Favorable Subst.*