



# House of Representatives

General Assembly

**File No. 170**

January Session, 2003

Substitute House Bill No. 6606

*House of Representatives, April 3, 2003*

The Committee on Insurance and Real Estate reported through REP. OREFICE of the 37th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## **AN ACT CONCERNING PHARMACY BENEFIT MANAGEMENT PLANS.**

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

1 Section 1. (NEW) (*Effective July 1, 2003*) The Insurance  
2 Commissioner, in consultation with the Commission on Pharmacy,  
3 shall study pharmacy benefit management plans. Such study shall  
4 determine whether further regulation of such plans is required. If the  
5 commissioner determines that further regulation is required, the  
6 commissioner shall indicate the type of regulation required. Not later  
7 than January 1, 2004, and annually thereafter, the commissioner shall  
8 submit such determinations to the joint standing committee of the  
9 General Assembly having cognizance of matters relating to insurance  
10 in accordance with section 11-4a of the general statutes.

This act shall take effect as follows:

Section 1	<i>July 1, 2003</i>
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**INS**      *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

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**OFA Fiscal Note**

**State Impact:**

<b>Agency Affected</b>	<b>Fund-Type</b>	<b>FY 04 \$</b>	<b>FY 05 \$</b>
Insurance Dept.; Consumer Protection, Dept.	GF & IF - Cost	less than 500	less than 500

**Municipal Impact:** None

**Explanation**

The bill requires the Insurance Commissioner in consultation with the Commission on Pharmacy (under the Department of Consumer Protection) to study pharmacy benefit management plans and annually report her findings to the General Assembly by January 1, 2004. A cost of less than \$500 would be incurred for printing or copying and other miscellaneous costs.

**OLR Bill Analysis**

sHB 6606

**AN ACT CONCERNING PHARMACY BENEFIT MANAGEMENT PLANS****SUMMARY:**

This bill requires the insurance commissioner, in consultation with the Pharmacy Commission, to study pharmacy benefit management (PBM) plans. The study must decide whether further regulation of such plans is required, and if so, the commissioner must indicate the type of regulation needed. By January 1, 2004, and annually thereafter, the bill requires the commissioner to submit her decision to the Insurance and Real Estate Committee.

EFFECTIVE DATE: July 1, 2003

**BACKGROUND*****Pharmacy Benefit Management (PBM) Plans***

PBM plans manage prescription drug benefits on behalf of health plans that have "carved out" or subcontracted this service to another company that in turn provides prescription drug services to the health plan's enrollees.

**COMMITTEE ACTION**

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 11      Nay 6