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**SB 1048**  
**AAC Bulk Purchasing of Prescription Drugs**

**Public Health Committee**  
**March 2, 2009**

As the agency responsible for statewide procurement, the Department of Administrative Services (DAS) offers the following testimony regarding **Senate Bill 1048, An Act Concerning Bulk Purchasing of Prescription Drugs**.

The purchase of pharmaceutical drugs for state agencies was consolidated in 2006 as a result of a Memorandum of Understanding between DAS and the UConn Health Center. This MOU enables several agencies and facilities to purchase prescription drugs through the UConn Health Center contract.

Senate Bill 1048 directs the Comptroller and the Commissioners of Public Health and Social Services to develop a program to aggregate or negotiate the purchase of prescription drugs for several groups of individuals, including inmates of the Department of Correction and individuals receiving Medicaid. It also requires these agencies to develop a plan for the state to join an existing multistate pharmaceutical purchasing pool.

Currently, inmates of the Department of Correction receive their health care, including their prescription drugs, from the UConn Health Center. Additionally, many of the residents at the state's humane institutions, including, for example, Blue Hills Hospital, Cedarcrest, and Connecticut Valley Hospital, receive Medicaid. The prescription drugs needed by these residents are purchased and dispensed by the facility, which then receives reimbursement from Medicaid.

Therefore, to the extent that Senate Bill 1048 applies to pharmaceutical purchases for inmates of the Department of Correction and residents of the state's humane institutions who receive Medicaid, it overlaps with the existing state contract for the purchase of wholesale pharmaceuticals. For example, it is not clear whether Senate Bill 1048 would require UConn Health Center and the state humane institutions to stop purchasing off of the existing contract. It is also not clear how a plan to have the state join an existing multistate pharmaceutical purchasing pool will affect the existing contract. DAS would appreciate the opportunity to meet with you to discuss how to reconcile the existing contract with the program envisioned by this bill.