



General Assembly

January Session, 2011

**Raised Bill No. 6322**

LCO No. 3106

\*03106\_\_\_\_\_HS\_\*

Referred to Committee on Human Services

Introduced by:  
(HS)

**AN ACT CONCERNING STATE PRESCRIPTION DRUG PURCHASING.**

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

1 Section 1. Section 5-259 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective July 1, 2011*):

3 (a) The Comptroller, with the approval of the Attorney General and  
4 of the Insurance Commissioner, shall arrange and procure a group  
5 hospitalization and medical and surgical insurance plan or plans for  
6 (1) state employees, (2) members of the General Assembly who elect  
7 coverage under such plan or plans, (3) participants in an alternate  
8 retirement program who meet the service requirements of section  
9 5-162 or subsection (a) of section 5-166, (4) anyone receiving benefits  
10 under section 5-144 or from any state-sponsored retirement system,  
11 except the teachers' retirement system and the municipal employees  
12 retirement system, (5) judges of probate and Probate Court employees,  
13 (6) the surviving spouse, and any dependent children until they reach  
14 the age of eighteen, of a state police officer, a member of an organized  
15 local police department, a firefighter or a constable (A) who performs  
16 criminal law enforcement duties, (B) who dies [before, on or after June

17 26, 2003,] as the result of injuries received while acting within the  
18 scope of such officer's or firefighter's or constable's employment and  
19 not as the result of illness or natural causes, and (C) whose surviving  
20 spouse and dependent children are not otherwise eligible for a group  
21 hospitalization and medical and surgical insurance plan, (7) employees  
22 of the Capital City Economic Development Authority established by  
23 section 32-601, and (8) the surviving spouse and dependent children of  
24 any employee of a municipality who dies on or after October 1, 2000,  
25 as the result of injuries received while acting within the scope of such  
26 employee's employment and not as the result of illness or natural  
27 causes, and whose surviving spouse and dependent children are not  
28 otherwise eligible for a group hospitalization and medical and surgical  
29 insurance plan. For purposes of this subdivision, "employee" means  
30 any regular employee or elective officer receiving pay from a  
31 municipality, "municipality" means any town, city, borough, school  
32 district, taxing district, fire district, district department of health,  
33 probate district, housing authority, regional work force development  
34 board established under section 31-3k, flood commission or authority  
35 established by special act or regional planning agency. For purposes of  
36 subdivision (6) of this subsection, "firefighter" means any person who  
37 is regularly employed and paid by any municipality for the purpose of  
38 performing firefighting duties for a municipality on average of not less  
39 than thirty-five hours per week. The minimum benefits to be provided  
40 by such plan or plans shall be substantially equal in value to the  
41 benefits that each such employee or member of the General Assembly  
42 could secure in such plan or plans on an individual basis on the  
43 preceding first day of July. The state shall pay for each such employee  
44 and each member of the General Assembly covered by such plan or  
45 plans the portion of the premium charged for such member's or  
46 employee's individual coverage and seventy per cent of the additional  
47 cost of the form of coverage and such amount shall be credited to the  
48 total premiums owed by such employee or member of the General  
49 Assembly for the form of such member's or employee's coverage under  
50 such plan or plans. On and after January 1, 1989, the state shall pay for

51 anyone receiving benefits from any such state-sponsored retirement  
52 system one hundred per cent of the portion of the premium charged  
53 for such member's or employee's individual coverage and one  
54 hundred per cent of any additional cost for the form of coverage. The  
55 balance of any premiums payable by an individual employee or by a  
56 member of the General Assembly for the form of coverage shall be  
57 deducted from the payroll by the State Comptroller. The total  
58 premiums payable shall be remitted by the Comptroller to the  
59 insurance company or companies or nonprofit organization or  
60 organizations providing the coverage. The amount of the state's  
61 contribution per employee for a health maintenance organization  
62 option shall be equal, in terms of dollars and cents, to the largest  
63 amount of the contribution per employee paid for any other option  
64 that is available to all eligible state employees included in the health  
65 benefits plan, but shall not be required to exceed the amount of the  
66 health maintenance organization premium.

67 (b) The Comptroller shall develop, in consultation with the  
68 Commissioner of Social Services, a plan for the Comptroller to jointly  
69 procure prescription drugs for (1) persons, as identified in subsection  
70 (a) of this section, who are eligible to participate in the group  
71 hospitalization and medical and surgical insurance plan, and (2)  
72 persons who have been determined by the Commissioner of Social  
73 Services to be eligible for medical assistance benefits under programs  
74 including, but not limited to: (A) Medicaid; (B) the HUSKY Plan, Part  
75 A and Part B; (C) the HUSKY Plus programs; (D) ConnPACE; (E) the  
76 Charter Oak Health Plan; and (F) the Connecticut AIDS drug  
77 assistance program. No change to the terms of the state employees'  
78 health insurance plan shall be effective unless and until the State  
79 Employees' Bargaining Agent Coalition provides written notice to the  
80 Comptroller stating that said coalition agrees to incorporate the terms  
81 of such change into its collective bargaining agreement. The  
82 Comptroller shall implement such plan not later than July 1, 2012.

83 ~~[(b)]~~ (c) The insurance coverage procured under subsection (a) of

84 this section for active state employees, employees of the Connecticut  
85 Institute for Municipal Studies, anyone receiving benefits from any  
86 such state-sponsored retirement system and members of the General  
87 Assembly, who are over sixty-five years of age, may be modified to  
88 reflect benefits available to such employees or members pursuant to  
89 Social Security and medical benefits programs administered by the  
90 federal government, provided any payments required to secure such  
91 benefits administered by the federal government shall be paid by the  
92 Comptroller either directly to the employee or members or to the  
93 agency of the federal government authorized to collect such payments.

94 [(c)] (d) On October 1, 1972, the Comptroller shall continue to afford  
95 payroll deduction services for employees participating in existing  
96 authorized plans covering state employees until such time as the  
97 employee elects in writing to be covered by the plan authorized by  
98 subsection (a) of this section.

99 [(d)] (e) Notwithstanding the provisions of subsection (a) of this  
100 section, the state shall pay for a member of any such state-sponsored  
101 retirement system, or a participant in an alternate retirement program  
102 who meets the service requirements of section 5-162 or subsection (a)  
103 of section 5-166, and who begins receiving benefits from such system  
104 or program on or after November 1, 1989, eighty per cent of the  
105 portion of the premium charged for his individual coverage and eighty  
106 per cent of any additional cost for his form of coverage. Upon the  
107 death of any such member, any surviving spouse of such member who  
108 begins receiving benefits from such system shall be eligible for  
109 coverage under this section and the state shall pay for any such spouse  
110 eighty per cent of the portion of the premium charged for his  
111 individual coverage and eighty per cent of any additional cost for his  
112 form of coverage.

113 [(e)] (f) Notwithstanding the provisions of subsection (a) of this  
114 section, (1) vending stand operators eligible for membership in the  
115 state employee's retirement system pursuant to section 5-175a, shall be

116 eligible for coverage under the group hospitalization and medical and  
117 surgical insurance plans procured under this section, provided the cost  
118 for such operators' insurance coverage shall be paid by the Board of  
119 Education and Services for the Blind from vending machine income  
120 pursuant to section 10-303, and (2) blind persons employed in  
121 workshops, established pursuant to section 10-298a, on December 31,  
122 2002, shall be eligible for coverage under the group hospitalization and  
123 medical and surgical insurance plans procured under this section,  
124 provided the cost for such persons' insurance coverage shall be paid by  
125 the Board of Education and Services for the Blind. General workers  
126 employed in positions by the Department of Developmental Services  
127 as self-advocates, not to exceed eleven employees, shall be eligible for  
128 sick leave, in accordance with section 5-247, vacation and personal  
129 leave, in accordance with section 5-250, and holidays, in accordance  
130 with section 5-254.

131       ~~[(f)]~~ (g) The Comptroller, with the approval of the Attorney General  
132 and of the Insurance Commissioner, shall arrange and procure a group  
133 hospitalization and medical and surgical insurance plan or plans for  
134 any person who adopts a child from the state foster care system, any  
135 person who has been a foster parent for the Department of Children  
136 and Families for six months or more, a parent in a permanent family  
137 residence for six months or more, and any dependent of such adoptive  
138 parent, foster parent or parent in a permanent family residence who  
139 elects coverage under such plan or plans. The Comptroller may also  
140 arrange for inclusion of such person and any such dependent in an  
141 existing group hospitalization and medical and surgical insurance plan  
142 offered by the state. Any adoptive parent, foster parent or a parent in a  
143 permanent family residence and any dependent who elects coverage  
144 shall pay one hundred per cent of the premium charged for such  
145 coverage directly to the insurer, provided such adoptive parent, foster  
146 parent or parent and all such dependents shall be included in such  
147 group hospitalization and medical and surgical insurance plan. A  
148 person and his dependents electing coverage pursuant to this  
149 subsection shall be eligible for such coverage until no longer an

150 adoptive parent, a foster parent or a parent in a permanent family  
151 residence. An adoptive parent shall be eligible for such coverage until  
152 the adopted child reaches the age of eighteen or, if the child has not  
153 completed a secondary education program, until such child reaches  
154 the age of twenty-one. As used in this section "dependent" means a  
155 spouse or natural or adopted child if such child is wholly or partially  
156 dependent for support upon the adoptive parent, foster parent or  
157 parent in a permanent family residence.

158 [(g)] (h) Notwithstanding the provisions of subsection (a) of this  
159 section, the Probate Court Administration Fund established in  
160 accordance with section 45a-82, shall pay for each probate judge and  
161 each probate court employee not more than one hundred per cent of  
162 the portion of the premium charged for the judge's or employee's  
163 individual coverage and not more than fifty per cent of any additional  
164 cost for the judge's or employee's form of coverage. The remainder of  
165 the premium for such coverage shall be paid by the probate judge or  
166 probate court employee to the State Treasurer. Payment shall be  
167 credited by the State Treasurer to the fund established by section 45a-  
168 82. The total premiums payable shall be remitted by the Probate Court  
169 Administrator directly to the insurance company or companies or  
170 nonprofit organization or organizations providing the coverage. The  
171 Probate Court Administrator shall issue regulations governing group  
172 hospitalization and medical and surgical insurance pursuant to  
173 subsection (b) of section 45a-77.

174 [(h)] (i) For the purpose of subsection [(g)] (h) of this section,  
175 "probate judge" or "judge" means a duly elected probate judge who  
176 works in such judge's capacity as a probate judge at least twenty hours  
177 per week, on average, on a quarterly basis and certifies to that fact on  
178 forms provided by and filed with the Probate Court Administrator, on  
179 or before the fifteenth day of April, July, October and January, for the  
180 preceding calendar quarter; and "probate court employee" or  
181 "employee" means a person employed by a probate court for at least  
182 twenty hours per week.

183        [(i)] (j) The Comptroller may provide for coverage of employees of  
184 municipalities, nonprofit corporations, community action agencies and  
185 small employers and individuals eligible for a health coverage tax  
186 credit, retired members or members of an association for personal care  
187 assistants under the plan or plans procured under subsection (a) of this  
188 section, provided: (1) Participation by each municipality, nonprofit  
189 corporation, community action agency, small employer, eligible  
190 individual, retired member or association for personal care assistants  
191 shall be on a voluntary basis; (2) where an employee organization  
192 represents employees of a municipality, nonprofit corporation,  
193 community action agency or small employer, participation in a plan or  
194 plans to be procured under subsection (a) of this section shall be by  
195 mutual agreement of the municipality, nonprofit corporation,  
196 community action agency or small employer and the employee  
197 organization only and neither party may submit the issue of  
198 participation to binding arbitration except by mutual agreement if  
199 such binding arbitration is available; (3) no group of employees shall  
200 be refused entry into the plan by reason of past or future health care  
201 costs or claim experience; (4) rates paid by the state for its employees  
202 under subsection (a) of this section are not adversely affected by this  
203 subsection; (5) administrative costs to the plan or plans provided  
204 under this subsection shall not be paid by the state; (6) participation in  
205 the plan or plans in an amount determined by the state shall be for the  
206 duration of the period of the plan or plans, or for such other period as  
207 mutually agreed by the municipality, nonprofit corporation,  
208 community action agency, small employer, retired member or  
209 association for personal care assistants and the Comptroller; and (7)  
210 nothing in this section or section 12-202a, 38a-551, 38a-553 or 38a-556  
211 shall be construed as requiring a participating insurer or health care  
212 center to issue individual policies to individuals eligible for a health  
213 coverage tax credit. The coverage provided under this section may be  
214 referred to as the "Municipal Employee Health Insurance Plan". The  
215 Comptroller may arrange and procure for the employees and eligible  
216 individuals under this subsection health benefit plans that vary from

217 the plan or plans procured under subsection (a) of this section.  
218 Notwithstanding any provision of part V of chapter 700c, the coverage  
219 provided under this subsection may be offered on either a fully  
220 underwritten or risk-pooled basis at the discretion of the Comptroller.  
221 For the purposes of this subsection, (A) "municipality" means any  
222 town, city, borough, school district, taxing district, fire district, district  
223 department of health, probate district, housing authority, regional  
224 work force development board established under section 31-3k,  
225 regional emergency telecommunications center, tourism district  
226 established under section 32-302, flood commission or authority  
227 established by special act, regional planning agency, transit district  
228 formed under chapter 103a, or the Children's Center established by  
229 number 571 of the public acts of 1969; (B) "nonprofit corporation"  
230 means (i) a nonprofit corporation organized under 26 USC 501 that has  
231 a contract with the state or receives a portion of its funding from a  
232 municipality, the state or the federal government, or (ii) an  
233 organization that is tax exempt pursuant to 26 USC 501(c)(5); (C)  
234 "community action agency" means a community action agency, as  
235 defined in section 17b-885; (D) "small employer" means a small  
236 employer, as defined in subparagraph (A) of subdivision (4) of section  
237 38a-564; (E) "eligible individuals" or "individuals eligible for a health  
238 coverage tax credit" means individuals who are eligible for the credit  
239 for health insurance costs under Section 35 of the Internal Revenue  
240 Code of 1986, or any subsequent corresponding internal revenue code  
241 of the United States, as from time to time amended, in accordance with  
242 the Pension Benefit Guaranty Corporation and Trade Adjustment  
243 Assistance programs of the Trade Act of 2002 (P.L. 107-210); (F)  
244 "association for personal care assistants" means an organization  
245 composed of personal care attendants who are employed by recipients  
246 of service (i) under the home-care program for the elderly under  
247 section 17b-342, (ii) under the personal care assistance program under  
248 section 17b-605a, (iii) in an independent living center pursuant to  
249 sections 17b-613 to 17b-615, inclusive, or (iv) under the program for  
250 individuals with acquired brain injury as described in section 17b-

251 260a; and (G) "retired members" means individuals eligible for a  
252 retirement benefit from the Connecticut municipal employees'  
253 retirement system.

254 [(j)] (k) (1) Notwithstanding any provision of law to the contrary,  
255 the existing rights and obligations of state employee organizations and  
256 the state employer under current law and contract shall not be  
257 impaired by the provisions of this section. (2) Other conditions of entry  
258 for any group into the plan or plans procured under subsection (a) of  
259 this section shall be determined by the Comptroller upon the  
260 recommendation of a coalition committee established pursuant to  
261 subsection (f) of section 5-278, except for such conditions referenced in  
262 subsection [(g)] (h) of this section. (3) Additional determinations by the  
263 Comptroller on (A) issues generated by any group's actual or  
264 contemplated participation in the plan or plans, (B) modifications to  
265 the terms and conditions of any group's continued participation, (C)  
266 related matters shall be made upon the recommendation of such  
267 committee. (4) Notwithstanding any provision of law to the contrary, a  
268 municipal employer and an employee organization may upon mutual  
269 agreement reopen a collective bargaining agreement for the exclusive  
270 purpose of negotiating on the participation by such municipal  
271 employer or employee organization in the plan or plans offered under  
272 the provisions of this section.

273 [(k)] (l) The Comptroller shall submit annually to the General  
274 Assembly a review of the coverage of employees of municipalities,  
275 nonprofit corporations, community action agencies, small employers  
276 under subsection [(i)] (j) of this section and eligible individuals under  
277 subsection [(i)] (j) of this section beginning February 1, 2004.

278 [(l)] (m) (1) Effective July 1, 1996, any deputies or special deputies  
279 appointed pursuant to section 6-37 of the general statutes, revision of  
280 1958, revised to 1999, or section 6-43, shall be allowed to participate in  
281 the plan or plans procured by the Comptroller pursuant to subsection  
282 (a) of this section. Such participation shall be voluntary and the

283 participant shall pay the full cost of the coverage under such plan.

284 (2) Effective December 1, 2000, any state marshal shall be allowed to  
285 participate in the plan or plans procured by the Comptroller pursuant  
286 to subsection (a) of this section. Such participation shall be voluntary  
287 and the participant shall pay the full cost of the coverage under such  
288 plan.

289 (3) Effective December 1, 2000, any judicial marshal shall be allowed  
290 to participate in the plan or plans procured by the Comptroller  
291 pursuant to subsection (a) of this section. Such participation shall be  
292 voluntary and the participant shall pay the full cost of the coverage  
293 under such plan unless and until the judicial marshals participate in  
294 the plan or plans procured by the Comptroller under this section  
295 through collective bargaining negotiations pursuant to subsection (f) of  
296 section 5-278.

297 [(m)] (n) (1) Notwithstanding any provision of the general statutes,  
298 the Comptroller shall begin procedures to convert the group  
299 hospitalization and medical and surgical insurance plans set forth in  
300 subsection (a) of this section, including any prescription drug plan  
301 offered in connection with or in addition to such insurance plans, to  
302 self-insured plans, except that any dental plan offered in connection  
303 with or in addition to such self-insured plans may be fully insured.

304 (2) The Comptroller may enter into contracts with third-party  
305 administrators to provide administrative services only for the self-  
306 insured plans set forth in subdivision (1) of this subsection. Any such  
307 third-party administrator shall be required under such contract to  
308 charge such third-party administrator's lowest available rate for such  
309 services.

310 (3) (A) (i) The Comptroller shall offer nonstate public employers the  
311 option to purchase prescription drugs for their employees, employees'  
312 dependents and retirees under the purchasing authority of the state  
313 pursuant to section 1 of public act 09-206, subject to the provisions of

314 subparagraph (E) of this subdivision.

315 (ii) For purposes of this subdivision, "nonstate public employer"  
316 means (I) a municipality or other political subdivision of the state,  
317 including a board of education, quasi-public agency or public library,  
318 as defined in section 11-24a, or (II) the Teachers' Retirement Board.

319 (B) The Comptroller shall establish procedures to determine (i) the  
320 eligibility requirements for, (ii) the enrollment procedures for, (iii) the  
321 duration of, (iv) requirements regarding payment for, and (v) the  
322 procedures for withdrawal from and termination of, the purchasing of  
323 prescription drugs for nonstate public employers under subparagraph  
324 (A) of this subdivision.

325 (C) The Comptroller may offer to nonstate public employers that  
326 choose to purchase prescription drugs pursuant to subparagraph (A)  
327 of this subdivision the option to purchase stop loss coverage from an  
328 insurer at a rate negotiated by the Comptroller.

329 (D) Two or more nonstate public employers may join together for  
330 the purpose of purchasing prescription drugs for their employees,  
331 employees' dependents and retirees. Such arrangement shall not  
332 constitute a multiple employer welfare arrangement, as defined in  
333 Section 3 of the Employee Retirement Income Security Act of 1974, as  
334 amended from time to time.

335 (E) (i) The Comptroller shall offer nonstate public employers the  
336 option to purchase prescription drugs through the plan set forth in the  
337 State Employees' Bargaining Agent Coalition's collective bargaining  
338 agreement with the state only if the Health Care Cost Containment  
339 Committee, established in accordance with the ratified agreement  
340 between the state and said coalition pursuant to subsection (f) of  
341 section 5-278, has indicated in writing to the Comptroller that allowing  
342 such nonstate public employers such option is consistent with said  
343 coalition's collective bargaining agreement.

344 (ii) Such writing shall not be required if the Comptroller establishes  
345 a separate prescription drugs purchasing plan for nonstate public  
346 employers.

347 (iii) Nonstate public employers that purchase prescription drugs  
348 pursuant to this subdivision shall pay the full cost of their own claims  
349 and prescription drugs.

350 Sec. 2. Subsection (b) of section 38a-472d of the general statutes is  
351 repealed and the following is substituted in lieu thereof (*Effective July*  
352 *1, 2011*):

353 (b) The information on the department's Internet web site shall  
354 reference the availability and general eligibility requirements of (1)  
355 programs administered by the Department of Social Services,  
356 including, but not limited to, the Medicaid program, the HUSKY Plan,  
357 Part A and Part B, and the state-administered general assistance  
358 program, (2) health insurance coverage provided by the Comptroller  
359 under subsection [(i)] (j) of section 5-259, as amended by this act, (3)  
360 health insurance coverage available under comprehensive health care  
361 plans issued pursuant to part IV of this chapter, and (4) other health  
362 insurance coverage offered through local, state or federal agencies or  
363 through entities licensed in this state. The commissioner shall update  
364 the information on the web site at least quarterly.

365 Sec. 3. Subsection (b) of section 38a-556a of the general statutes is  
366 repealed and the following is substituted in lieu thereof (*Effective July*  
367 *1, 2011*):

368 (b) Said association shall, in consultation with the Insurance  
369 Commissioner and the Healthcare Advocate, develop, within available  
370 appropriations, a web site, telephone number or other method to serve  
371 as a clearinghouse for information about individual and small  
372 employer health insurance policies and health care plans that are  
373 available to consumers in this state, including, but not limited to, the  
374 Medicaid program, the HUSKY Plan, state-administered general

375 assistance, the Charter Oak Health Plan set forth in section 17b-311, the  
376 Municipal Employee Health Insurance Plan set forth in subsection [(i)]  
377 (j) of section 5-259, as amended by this act, and any individual or small  
378 employer health insurance policies or health care plans an insurer,  
379 health care center or other entity chooses to list with the Connecticut  
380 Clearinghouse.

381 Sec. 4. Subdivision (22) of section 38a-567 of the general statutes is  
382 repealed and the following is substituted in lieu thereof (*Effective July*  
383 *1, 2011*):

384 (22) (A) With respect to plans or arrangements issued pursuant to  
385 subsection [(i)] (j) of section 5-259, as amended by this act, at the option  
386 of the Comptroller, the premium rates charged or offered to small  
387 employers purchasing health insurance shall not be subject to this  
388 section, provided (i) the plan or plans offered or issued cover such  
389 small employers as a single entity and cover not less than three  
390 thousand employees on the date issued, (ii) each small employer is  
391 charged or offered the same premium rate with respect to each  
392 employee and dependent, and (iii) the plan or plans are written on a  
393 guaranteed issue basis.

394 (B) With respect to plans or arrangements issued by an association  
395 group plan, at the option of the administrator of the association group  
396 plan, the premium rates charged or offered to small employers  
397 purchasing health insurance shall not be subject to this section,  
398 provided (i) the plan or plans offered or issued cover such small  
399 employers as a single entity and cover not less than three thousand  
400 employees on the date issued, (ii) each small employer is charged or  
401 offered the same premium rate with respect to each employee and  
402 dependent, and (iii) the plan or plans are written on a guaranteed issue  
403 basis. In addition, such association group (I) shall be a bona fide group  
404 as set forth in the Employee Retirement and Security Act of 1974, (II)  
405 shall not be formed for the purposes of fictitious grouping, as defined  
406 in section 38a-827, and (III) shall not issue any plan that shall cause

407 undue disruption in the insurance marketplace, as determined by the  
408 commissioner.

409 Sec. 5. Subdivision (5) of section 45a-34 of the general statutes is  
410 repealed and the following is substituted in lieu thereof (*Effective July*  
411 *1, 2011*):

412 (5) "Judge" means a judge of probate, except that, with respect to a  
413 judge first elected for a term beginning on or after January 5, 2011,  
414 judge means a person who holds the office of judge of probate and  
415 works in such judge's capacity as a judge of probate for at least one  
416 thousand hours per year as determined pursuant to information filed  
417 by the judge of probate with the Probate Court Administrator  
418 pursuant to subsection [(h)] (i) of section 5-259, as amended by this act;

419 Sec. 6. Subsection (a) of section 17b-256 of the general statutes is  
420 repealed and the following is substituted in lieu thereof (*Effective July*  
421 *1, 2011*):

422 (a) The Commissioner of Social Services may administer, within  
423 available appropriations, a program providing payment for the cost of  
424 drugs prescribed by a physician for the treatment of acquired  
425 immunodeficiency syndrome or human immunodeficiency virus. The  
426 Comptroller shall be responsible for the procurement of such drugs.  
427 The [commissioner] Commissioner of Social Services, in consultation  
428 with the Commissioner of Public Health, shall determine specific  
429 drugs to be covered and may implement a pharmacy lock-in  
430 procedure for the program. The Commissioner of Social Services shall  
431 adopt regulations, in accordance with the provisions of chapter 54, to  
432 carry out the purposes of this section. The commissioner may  
433 implement the program while in the process of adopting regulations,  
434 provided notice of intent to adopt the regulations is published in the  
435 Connecticut Law Journal within twenty days of implementation. The  
436 regulations may include eligibility for all persons with acquired  
437 immunodeficiency syndrome or human immunodeficiency virus  
438 whose income is below four hundred per cent of the federal poverty

439 level. Subject to federal approval, the commissioner may, within  
440 available federal resources, maintain existing insurance policies for  
441 eligible clients, including, but not limited to, coverage of costs  
442 associated with such policies, that provide a full range of human  
443 immunodeficiency virus treatments and access to comprehensive  
444 primary care services as determined by the commissioner and as  
445 provided by federal law, and may provide payment, determined by  
446 the commissioner, for (1) drugs and nutritional supplements  
447 prescribed by a physician that prevent or treat opportunistic diseases  
448 and conditions associated with acquired immunodeficiency syndrome  
449 or human immunodeficiency virus; (2) ancillary supplies related to the  
450 administration of such drugs; and (3) laboratory tests ordered by a  
451 physician. On and after May 26, 2006, any person who previously  
452 received insurance assistance under the program established pursuant  
453 to section 17b-255 of the general statutes, revision of 1958, revised to  
454 2005, shall continue to receive such assistance until the expiration of  
455 the insurance coverage, provided such person continues to meet  
456 program eligibility requirements established in accordance with this  
457 subsection. On or before March 1, 2007, and annually thereafter, the  
458 Commissioner of Social Services shall report, in accordance with  
459 section 11-4a, to the joint standing committees of the General  
460 Assembly having cognizance of matters relating to human services,  
461 public health and appropriations and the budgets of state agencies on  
462 the projected availability of funds for the program established  
463 pursuant to this section.

464       Sec. 7. (NEW) (*Effective July 1, 2011*) The Comptroller shall, in  
465 consultation with the Commissioner of Social Services, contract with a  
466 pharmacy benefits manager or a single entity qualified to deliver  
467 comprehensive health care services, in accordance with subsection 17b-  
468 266 of the general statutes, to provide prescription drug coverage to  
469 medical assistance recipients receiving services in a managed care  
470 setting.

471       Sec. 8. Section 17b-274a of the general statutes is repealed and the

472 following is substituted in lieu thereof (*Effective July 1, 2011*):

473 The [Commissioner of Social Services may] Comptroller shall  
474 establish maximum allowable costs to be paid under the Medicaid,  
475 state-administered general assistance, ConnPACE and Connecticut  
476 AIDS drug assistance programs for generic prescription drugs [based  
477 on, but not limited to,] which shall be equal to the actual acquisition  
478 costs. [The department shall implement and maintain a procedure to  
479 review and update the maximum allowable cost list at least annually,  
480 and shall report annually to the joint standing committee of the  
481 General Assembly having cognizance of matters relating to  
482 appropriations and the budgets of state agencies on its activities  
483 pursuant to this section.]

484 Sec. 9. Subsection (l) of section 17b-274d of the general statutes is  
485 repealed and the following is substituted in lieu thereof (*Effective July*  
486 *1, 2011*):

487 (l) The [Commissioner of Social Services may] Comptroller shall, in  
488 consultation with the Commissioner of Social Services, contract with a  
489 pharmacy benefits [organization] manager or a single entity qualified  
490 to negotiate with pharmaceutical manufacturers for supplemental  
491 rebates, available pursuant to 42 USC 1396r-8(c), for the purchase of  
492 drugs listed on the preferred drug lists established pursuant to  
493 subsection (e) of this section.

494 Sec. 10. Subsection (a) of section 17b-280 of the general statutes is  
495 repealed and the following is substituted in lieu thereof (*Effective July*  
496 *1, 2011*):

497 (a) The state shall reimburse for all legend drugs provided under  
498 the Medicaid, state-administered general assistance, ConnPACE and  
499 Connecticut AIDS drug assistance programs at a rate equal to the  
500 [lower of (1) the rate established by the Centers for Medicare and  
501 Medicaid Services as the federal acquisition cost, (2) the average  
502 wholesale price minus fourteen per cent, or (3) an equivalent

503 percentage as established under the Medicaid state plan] actual cost of  
504 procurement by the Comptroller. The commissioner shall also  
505 establish a professional fee of two dollars and ninety cents for each  
506 prescription to be paid to licensed pharmacies for dispensing drugs to  
507 Medicaid, state-administered general assistance, ConnPACE and  
508 Connecticut AIDS drug assistance recipients in accordance with  
509 federal regulations; and on and after September 4, 1991, payment for  
510 legend and nonlegend drugs provided to Medicaid recipients shall be  
511 based upon the actual package size dispensed. Effective October 1,  
512 1991, reimbursement for over-the-counter drugs for such recipients  
513 shall be limited to those over-the-counter drugs and products  
514 published in the Connecticut Formulary, or the cross reference list,  
515 issued by the commissioner. The cost of all over-the-counter drugs and  
516 products provided to residents of nursing facilities, chronic disease  
517 hospitals, and intermediate care facilities for the mentally retarded  
518 shall be included in the facilities' per diem rate. Notwithstanding the  
519 provisions of this subsection, no dispensing fee shall be issued for a  
520 prescription drug dispensed to a ConnPACE or Medicaid recipient  
521 who is a Medicare Part D beneficiary when the prescription drug is a  
522 Medicare Part D drug, as defined in Public Law 108-173, the Medicare  
523 Prescription Drug, Improvement, and Modernization Act of 2003.

524 Sec. 11. Section 17b-491 of the general statutes is repealed and the  
525 following is substituted in lieu thereof (*Effective July 1, 2011*):

526 (a) There shall be a "Connecticut Pharmaceutical Assistance  
527 Contract to the Elderly and the Disabled Program" which shall be  
528 within the Department of Social Services. The program shall consist of  
529 payments by the state to pharmacies [for the reasonable] at a rate equal  
530 to the actual cost of procurement by the Comptroller for prescription  
531 drugs dispensed to eligible persons minus a copayment charge. The  
532 pharmacy shall collect the copayment charge from the eligible person  
533 at the time of each purchase of prescription drugs, and shall not waive,  
534 discount or rebate in whole or in part such amount. The copayment for  
535 each prescription shall not exceed sixteen dollars and twenty-five

536 cents.

537 (b) On January 1, 2002, and annually thereafter, the commissioner  
538 shall increase the income limits established in subsection (a) of this  
539 section that set the appropriate participant copayment by the increase  
540 in the annual inflation adjustment in Social Security income, if any.  
541 Each such adjustment shall be determined to the nearest one hundred  
542 dollars.

543 [(c) Notwithstanding the provisions of subsection (a) of this section,  
544 effective September 15, 1991, payment by the state to a pharmacy  
545 under the program may be based on the price paid directly by a  
546 pharmacy to a pharmaceutical manufacturer for drugs dispensed  
547 under the program minus the copayment charge, plus the dispensing  
548 fee, if the direct price paid by the pharmacy is lower than the  
549 reasonable cost of such drugs.]

550 [(d)] (c) Effective September 15, 1991, reimbursement to a pharmacy  
551 for prescription drugs dispensed under the program shall be based  
552 upon actual package size costs of drugs purchased by the pharmacy in  
553 units larger than or smaller than one hundred.

554 [(e)] (d) Participation by a pharmaceutical manufacturer shall  
555 require that the department shall receive a rebate from the  
556 pharmaceutical manufacturer for prescriptions covered under the  
557 program and for prescriptions covered by the department pursuant to  
558 subsection (c) of section 17b-265e. Rebate amounts for brand name  
559 prescription drugs shall be equal to those under the Medicaid  
560 program. Rebate amounts for generic prescription drugs shall be  
561 established by the commissioner, provided such amounts may not be  
562 less than those under the Medicaid program. A participating  
563 pharmaceutical manufacturer shall make quarterly rebate payments to  
564 the department for the total number of dosage units of each form and  
565 strength of a prescription drug which the department reports as  
566 reimbursed to providers of prescription drugs, provided such  
567 payments shall not be due until thirty days following the

568 manufacturer's receipt of utilization data from the department  
 569 including the number of dosage units reimbursed to providers of  
 570 prescription drugs during the quarter for which payment is due. The  
 571 department may enter into contracts for supplemental rebates for  
 572 drugs that are on a preferred drug list or formulary established by the  
 573 department.

574 [(f)] (e) All prescription drugs of a pharmaceutical manufacturer  
 575 that participates in the program pursuant to subsection [(e)] (d) of this  
 576 section shall be subject to prospective drug utilization review. Any  
 577 prescription drug of a manufacturer that does not participate in the  
 578 program shall not be reimbursable, unless the department determines  
 579 the prescription drug is essential to program participants.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2011</i>	5-259
Sec. 2	<i>July 1, 2011</i>	38a-472d(b)
Sec. 3	<i>July 1, 2011</i>	38a-556a(b)
Sec. 4	<i>July 1, 2011</i>	38a-567(22)
Sec. 5	<i>July 1, 2011</i>	45a-34(5)
Sec. 6	<i>July 1, 2011</i>	17b-256(a)
Sec. 7	<i>July 1, 2011</i>	New section
Sec. 8	<i>July 1, 2011</i>	17b-274a
Sec. 9	<i>July 1, 2011</i>	17b-274d(l)
Sec. 10	<i>July 1, 2011</i>	17b-280(a)
Sec. 11	<i>July 1, 2011</i>	17b-491

**Statement of Purpose:**

To achieve cost savings related to the state's purchase of prescription drugs.

*[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.]*