



Senate

General Assembly

File No. 519

January Session, 2017

Substitute Senate Bill No. 445

Senate, April 11, 2017

The Committee on Public Health reported through SEN. GERRATANA of the 6th Dist. and SEN. SOMERS of the 18th Dist., Chairpersons of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING FAIRNESS IN PHARMACY AND PHARMACY BENEFITS MANAGER CONTRACTS.

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

1 Section 1. (NEW) (*Effective October 1, 2017*) (a) On and after January
2 1, 2018, no contract entered into in the state between a health carrier, as
3 defined in section 38a-591a of the general statutes, pharmacy benefits
4 manager, as defined in section 38a-479aaa of the general statutes, or
5 any other entity and a pharmacist shall contain a provision prohibiting
6 the pharmacist from disclosing any relevant information to an
7 individual purchasing prescription medication, including, but not
8 limited to, the cost of the prescription medication, actual
9 reimbursement to the pharmacist for the sale of the prescription
10 medication, efficacy of the prescription medication and the availability
11 of any alternative medications that are less expensive than the
12 prescription medication.

13 (b) On and after January 1, 2018, no individual in the state shall be

14 required to make a payment for the services of a pharmacist or
15 pharmacy in an amount greater than the pharmacist or pharmacy may
16 retain for such services from all payment sources.

17 (c) Any provision of a contract that violates the provisions of this
18 section shall be unenforceable and constitute an unfair trade practice
19 pursuant to chapter 735a of the general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2017	New section

PH *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 18 \$	FY 19 \$
Attorney General	GF - Potential Revenue Gain	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill is not anticipated to result in a fiscal impact to the state or municipalities to comply with the disclosure prohibitions contained in the bill or the cost cap in section 1(b). Individuals are charged in accordance with cost-sharing requirements of the state health plan or their respective municipal health plans, which are unchanged by the bill.

Lastly, the bill may result in a revenue gain to the General Fund to the extent additional fines or penalties are assessed for violations of the Connecticut Unfair Trade Practices Act.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the amount of penalties or fines collected.

OLR Bill Analysis**sSB-445*****AN ACT CONCERNING FAIRNESS IN PHARMACY AND PHARMACY BENEFITS MANAGER CONTRACTS.*****SUMMARY**

Starting January 1, 2018, this bill prohibits a contract entered into between a (1) pharmacist and (2) health carrier (e.g., insurer or HMO), pharmacy benefits manager, or any other entity from containing a provision prohibiting the pharmacist from disclosing any relevant information to an individual purchasing prescription medication. Such relevant information includes the prescription's cost; the reimbursement to the pharmacist for the prescription sale; the prescription's efficacy; and any alternative, less expensive medications.

Also starting January 1, 2018, the bill prohibits requiring a person in Connecticut to pay for the services of a pharmacy or pharmacist in an amount greater than what they receive for the services from all payment sources (e.g., public and private health insurers). A contract that violates the bill is unenforceable and constitutes an unfair trade practice (see BACKGROUND).

EFFECTIVE DATE: October 1, 2017

BACKGROUND***Related Bill***

sHB 7124, reported favorably by the Insurance and Real Estate Committee, prohibits health carriers from penalizing or providing financial disincentives to any pharmacy or pharmacist for disclosing to an insured person information on (1) the cost or efficacy of a prescription drug or (2) a therapeutically equivalent drug.

Connecticut Unfair Trade Practices Act (CUTPA)

The law prohibits businesses from engaging in unfair and deceptive acts or practices. CUTPA allows the consumer protection commissioner to issue regulations defining what constitutes an unfair trade practice, investigate complaints, issue cease and desist orders, order restitution in cases involving less than \$10,000, enter into consent agreements, ask the attorney general to seek injunctive relief, and accept voluntary statements of compliance. It also allows individuals to sue. Courts may issue restraining orders; award actual and punitive damages, costs, and reasonable attorney's fees; and impose civil penalties of up to \$5,000 for willful violations and \$25,000 for violation of a restraining order.

COMMITTEE ACTION

Public Health Committee

Joint Favorable Substitute

Yea 26 Nay 0 (03/27/2017)