General Assembly

Amendment

January Session, 2017

LCO No. **8907**

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Offered by:
REP. ZIOBRON, 34th Dist.

To: Subst. Senate Bill No. **445** File No. 519 Cal. No. 591

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

After the last section, add the following and renumber sections and internal references accordingly:

"Sec. 501. (NEW) (*Effective October 1, 2017*) (a) As used in this section, "prescription drug" has the same meaning as provided in section 21a-70c of the general statutes.

(b) (1) The Office of the Attorney General, in collaboration with the Department of Consumer Protection, shall identify annually up to twenty prescription drugs on which the state spends significant health care dollars and for which the wholesale acquisition cost has increased by fifty per cent or more over the past five years or by fifteen per cent or more over the past twelve months for purposes of establishing public interest in understanding the development of such prescription drugs' pricing. The prescription drugs identified shall represent different drug classes.

(2) The Office of the Attorney General shall publish the list of prescription drugs developed pursuant to subdivision (1) of this subsection and the percentage of the wholesale acquisition cost increases for each drug on its Internet web site.

(c) (1) For each prescription drug identified pursuant to subsection (b) of this section, the Office of the Attorney General shall require the drug's manufacturer to provide a justification for the increase in the wholesale acquisition cost of the drug in a format that the Attorney General determines to be understandable and appropriate. The manufacturer shall submit to the Office of the Attorney General all relevant information and supporting documentation necessary to justify the manufacturer's wholesale acquisition cost increase, which may include: (A) All factors that have contributed to the wholesale acquisition cost increase; (B) the percentage of the total wholesale acquisition cost increase attributable to each factor; and (C) an explanation of the role of each factor in contributing to the wholesale acquisition cost increase.

(2) Nothing in this section shall be construed to restrict the ability of a prescription drug manufacturer to change prices to the extent permitted under federal law.

(d) Not later than January 1, 2018, and annually thereafter, the Attorney General, in consultation with the Commissioner of Consumer Protection, shall report in accordance with section 11-4a of the general statutes, to the joint standing committees of the General Assembly having cognizance of matters relating to general law and public health regarding the information received from manufacturers under this section. The Office of the Attorney General shall post such report along with information concerning trends in the cost of every prescription drug sold or distributed in the state on its Internet web site.

(e) Information provided to the Office of the Attorney General pursuant to this section is exempt from disclosure under the Freedom of Information Act and shall not be released in a manner that allows

for the identification of an individual drug or manufacturer or that is likely to compromise the financial, competitive, or proprietary nature of the information.

(f) Any provision of a contract that violates the provisions of this section shall be void and unenforceable. Any general business practice that violates the provisions of this section shall constitute an unfair trade practice pursuant to chapter 735a of the general statutes."

This act shall take effect as follows and shall amend the following sections:		
Sec. 501	*October 1, 2017*	New section