



Quality is Our Bottom Line

Insurance and Real Estate Committee Public Hearing

Thursday, February 14, 2019

Connecticut Association of Health Plans

Testimony in Opposition to

H.B. 5343 AN ACT REDEFINING "THIRD-PARTY ADMINISTRATOR" TO INCLUDE PHARMACY BENEFITS MANAGERS.

The Connecticut Association of Health Plans respectfully opposes H.B. 5343. CGS § 38a-479bbb already requires that Pharmacy Benefit Managers (PBMs), operating outside the construct of a health plan, obtain a certificate of registration from the Department of Insurance and goes onto further dictate what information must be provided with such registration. Health plans who operate PBMs as a line of business or as affiliate are required to notify the Department of Insurance of such annually and in writing.

As detailed in a recent report prepared by the Office of Legislative Research (Janet Kaminski Leduc):

- Current law permits the commissioner, after notice and hearing, to suspend, revoke, or deny registration for specified causes, including unfair or deceptive business practices (CGS § 38a-479ccc). Anyone aggrieved by the commissioner's decisions may appeal to Superior Court.
- Lastly, PBMs are subject to investigation by the insurance commissioner (CGS § 38a-479hhh).

Additional regulation of PBMs as third-party administrators is not only unnecessary, it conflicts with existing statute and we urge your rejection of H.B. 5343.