

Insurance and Real Estate Committee

JOINT FAVORABLE REPORT

Bill No.: HB-5366

Title: AN ACT CONCERNING THE COST OF PRESCRIPTION DRUGS.

Vote Date: 3/10/2020

Vote Action: Joint Favorable Substitute

PH Date: 3/3/2020

File No.:

***Disclaimer:** The following JOINT FAVORABLE Report is prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose.*

SPONSORS OF BILL:

Sen. Saud Anwar, 3rd Dist.

REASONS FOR BILL:

Raised Bill 5366

This bill was envisioned to help reduce the rising cost of healthcare and prescription drugs in Connecticut that is affecting every one of its citizens. Without measures like this it is believed the price of prescription drugs will keep rising out of control. This bill intends to limit the rising costs by implementing price caps on Out-Of-pocket costs and by introducing Canadian drug reimportation. Proposed Substitute Language 5366

The bill has the same purpose as above with much of the same language with new definitions and former definitions being clarified. In addition, section 1 is changed to include that no new coinsurance, copayments, and deductibles for covered prescription drugs that exceed two hundred and fifty dollars per month. Section 2 is changed to require the Insurance Commissioner to submit a report in accordance with provisions in section 11-4a of the State Statutes on the effect and impact of capping the annual percentage increase in the wholesale of prescription drugs.

RESPONSE FROM ADMINISTRATION/AGENCY:

Kevin Lembo State Comptroller supports the bill as many of Connecticut's citizens are worried about how they will afford their prescriptions as prices continue to rise. Connecticut residents are some of the wealthiest in the United States yet many residents sacrifice their health as they cannot afford their prescriptions drugs. This bill will help reduce these costs by establishing Canadian drug reimportation, a Critical Drug Shortage Review Board and by capping out-of-pocket spending.

Martin Looney, President Pro Tempore, Connecticut General Assembly supports the bill as life-saving prescription drug pricing is out of control. Price gouging affects everyone in Connecticut and are addressed in this bill by its price capping of Out-Of-Pocket costs and by the implementation of Canadian Drug Reimportation.

NATURE AND SOURCES OF SUPPORT:

AARP Connecticut supports the bill as growing prescription drug costs are a significant concern for those on fixed incomes. They believe that HB 5366 will help cap out-of-pocket expenses and reduce costs with safe Canadian drug reimportation. The requirement of disclosure of pay-for-delay agreements will help further reduce costs by allowing generic drugs to enter the market sooner and require health carriers to reduce the cost of brand name drugs that enter into such agreements.

Michael Aronow, President, MD, Connecticut Orthopedic Society supports the bill as it is pro-consumer and patient oriented that will help reduce prescription drug costs. They further state that by supporting the bill they will help many people keep receiving their Non-surgical treatments without the usage of opioids.

Connecticut Society of Eye Physicians supports the bill as it will help reduce the rising cost of prescription drugs in 5 significant ways. By capping out of pocket spending, whole sale drug inflation, allowing for Canadian drug reimportation, enforces transparency in generic drug blockage, and creates a Critical Drug Shortage Review Board.

Winston Heimer, Executive Vice President, Connecticut Alliance for Retired Americans supports the bill as residents of Connecticut show a great concern in the rising prescription drug prices. They believe that this bill will help address that issue and do something about it.

Cheryl A. Duade, East Granby, CT supports the bill as they are an insulin dependent type 2 diabetic with MS. They believe this bill will help reduce the costs of their life saving medications.

Kathleen Flaherty, Executive Director, Connecticut Legal Rights Project supports the bill as it will address the problem of rising healthcare costs in Connecticut. They believe that once a person has signed a contract for coverage the insurer should not be able to unilaterally change the terms of coverage during the plan year.

Ann Pratt, Director, CT Citizen Action Group supports the bill as not everyone is on fully covered plans. Everyone should have the same opportunity to focus on their treatment and getting better without having to worry about the significant cost of their treatments.

Novlette Williams, West Hartford, CT supports the bill as they have congestive heart failure and despite having insurance could not afford their medication. They were only able to obtain the medication through the usage of coupons their Doctor was able to provide to them and then by reaching out to congressmen Larson's office. He worries about people who are less fortunate than him who also need to take lifesaving medication on a consistent basis.

Universal Healthcare Foundation of Connecticut supports the bill as it contains consumer protection plans and ways to mitigate the rising prescription drug costs in Connecticut. This can be done with well-designed price caps that have in other states reduced the prices of drugs and done so without raising premiums.

NATURE AND SOURCES OF OPPOSITION:

Christina Adams, Chief Pharmacy Officer, Canadian Society of Hospital Pharmacists Opposes the bill as Canada lacks the production capabilities to supply the population of the United States. Additionally, Canada does not have a Track and Trace system and would not be able to determine where the Canadian drugs originated from.

Connecticut Association of Health Plans opposes the bill as insurance solutions to pricing problems will not work as intended. Instead they argue it will drive people out of the fully insured market and into self-insured as premiums will rise significantly as a result.

Healthcare Distribution Alliance opposes Section 2 of the bill. They believe section 2 does not consider how the price of pharmaceuticals is determined and hold supply chain entities responsible when they have limited to no influence over the pricing. The goal of Section 2 is unclear and requests its removal from the bill.

Biotechnology Innovation Organization opposes the bill as Canadian reimportation of prescription drugs will not reduce the cost as much as thought, may have unintended consequences to consumer safety and go against The Drug Supply Chain Act. Additionally, while the state of CT does have the authority to regulate commercial conduct within its borders it does not have the same authority to criminalize conduct that occurs on the national level.

The Association for Accessible Medicines opposes the bill and has particular concerns about Canadian Drug Reimportation. This will not lower prescription drug costs and will instead expose the Citizens of Connecticut to higher safety risks.

Carrie Rand-Anastasiades, Executive Director, Connecticut Association of Community Pharmacies opposes the bill and has particular concerns on section 2 of the bill. They state that as pharmacists their contracts are determined by the State or Federal government and that they do not have the authority to change what a patient is charged. They also believe that the Canadians lack the supply necessary for the American population and that the bill will invite black market sellers with counterfeit medications.

Shabbir Imber Safar, Executive Director, The partnership for Safe Medicines opposes the bill especially in regards to Canadian Drug Reimportation. They believe that this will invite counterfeit drugs into circulation and argues that many other states with similar programs have had issues enforcing safety standards.

PhRMA opposes the bill as it does not remedy insurance benefit design issues and incorrectly solely blames the drug manufacturers. They argue it does not take into account the influence stakeholders have in determine prescription drug pricing and places unconstitutional price controls. Specifically referencing BIO v. District of Columbia where the court overturned a District of Columbia law imposing price controls on branded drugs.

Connecticut Pharmacists Association opposes the bill as it would undermine the safeguards in place to protect consumers. The reimportation of Canadian drugs will jeopardize consumer safety and undermine the Drug Supply Chain Act

Reported by: Lawrence Sanchez

Date: 04/28/2020