

OFFICE OF FISCAL ANALYSIS

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SB-1003

AN ACT PROHIBITING CERTAIN HEALTH CARRIERS AND PHARMACY BENEFITS MANAGERS FROM EMPLOYING COPAY ACCUMULATOR PROGRAMS.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
State Comptroller - Fringe Benefits	GF - Potential Cost	Minimal	Minimal

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 22 \$	FY 23 \$
Various Municipalities	Potential Cost	Minimal	Minimal

Explanation

The bill prohibits health carriers and pharmacy benefits managers from using copay accumulator programs, thereby potentially increasing the cost of providing benefits to the state employee and retiree health plan and municipalities.

Copay accumulator programs prohibit manufacturer coupons that are provided to enrollees by prescription manufacturers from being applied to the out of pocket cost for the brand name drug. By prohibiting such programs, the bill may increase costs depending on the negotiation of contracts between the state and municipalities and their respective pharmacy benefit managers¹. Any increased cost will be reflected in premiums for plan years starting on and after January 1,

¹ There is evidence that the price of couponed drugs rises at a faster rate than non-couponed drugs. Medicare does not permit manufacturer coupons.

2022. It is anticipated that the net impact to premiums as a result of the bill will be minimal relative to the overall employer share of the premium.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the utilization of coupons used for brand name drugs by state and municipal enrollees.