

General Law Committee JOINT FAVORABLE REPORT

Bill No.: SB-269

AN ACT CONCERNING THE AVAILABILITY OF GENERIC

Title: PHARMACEUTICALS.

Vote Date: 2/16/2021

Vote Action: Joint Favorable

PH Date: 1/28/2021

File No.: 15

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SPONSORS OF BILL:

General Law Committee

REASONS FOR BILL:

This bill will give access to more affordable drugs by restricting "pay for delay" with some exceptions. Generic drugs offer much needed savings not just to individuals, but to the healthcare system. Pay for delay is a deal between pharmaceutical companies when a company compensates a competitor to delay research, production or sale for a competing drug. This practice has delayed substantial consumer savings.

This keeps lower-cost generic drugs off the market. If there is a violation it would be punishable by civil penalty paid to the state.

This bill is related to California's AB824 (2019), there have been challenges to this bill however not have been successful.

RESPONSE FROM ADMINISTRATION/AGENCY:

Judicial Branch, State of Connecticut, External Affairs Division

Would like to suggest two technical changes as drafted, it would be helpful for the venue for these actions to be identified. The bill should define when the cause of action accrues for purposes of the state of limitations.

NATURE AND SOURCES OF SUPPORT:

Looney, Martin M. Senator, State of Connecticut, Senate

Supports this bill. On face value it appears anti-competitive, however pay for delay contracts are estimated to cost consumers \$3.5 billion every year. Last year California became the first

state in the nation to ban these pay for delay contracts. These contracts cause a patient to not be able to get less expensive drugs and we all pay more in healthcare and insurance premiums due to this practice.

Doroghazi, Anna, AARP Connecticut

AARP supports this bill as "pay for delay" increase costs and force consumers to pay more for medication they need to stay alive and healthy. SB269 would make it more difficult for pharmaceutical companies to engage in the pay for delay practice. This would make generic drugs more readily available.

NATURE AND SOURCES OF OPPOSITION:

Pescatello, Paul, Sr. Counsel and Executive Director, Connecticut Bioscience Growth Council

This bill would create an inconsistent state standard for evaluation of patent settlements which would lead to delayed entry of generic medicines as time and energy would go towards litigating patent settlements in court. Another issue is the potential effect on Connecticut's nascent biotech sector. SB 269 may cloud the existing legal precedent and undermine settlements between biotech and biopharma companies.

Reported by: Bonnie Gray, Asst. Clerk

Date: 003/20/2021