

OFFICE OF FISCAL ANALYSIS

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sSB-355

AN ACT ESTABLISHING THE 340B DRUG PRICING
NONDISCRIMINATION ACT.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 23 \$	FY 24 \$
UConn Health Ctr.	Various - Savings	Significant	Significant
Insurance Dept.	IF - Cost	Up to 50,000	None

Note: IF=Insurance Fund; Various=Various

Municipal Impact: None

Explanation

The bill results in an annual significant savings to the University of Connecticut Health Center beginning in FY 23. The health center has multiple 340B covered entities, including John Dempsey Hospital, and has not been fully benefiting from the provisions of the 340B program due to manufacturer and pharmacy benefits manager (PBM) practices. The health center estimates that the foregone savings due to these practices has reached approximately \$7 million to \$9 million annually. It is anticipated that the bill will reduce or eliminate the practices it prohibits, and consequently result in greater 340B savings to UConn Health Center.

The bill results in a cost of up to \$50,000 to the Insurance Fund in FY 23 for the Insurance Department to adopt implementing regulations. As the agency lacks expertise in the business practices and contracting of PBMs and drug manufacturers, it is anticipated the agency would need

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to hire a consultant to assist with developing such regulations.¹

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the level of the 340B discount.

¹ The fiscal impact to the Insurance Department for enforcing the provisions of the bill would depend on and be associated with the regulations the agency must adopt under the bill.