

OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200
Hartford, CT 06106 ◊ (860) 240-0200
<http://www.cga.ct.gov/ofa>

sSB-13

AN ACT REDUCING PRESCRIPTION DRUG PRICES. AMENDMENT

LCO No.: 6502

File Copy No.: 208

Senate Calendar No.: 164

OFA Fiscal Note

See Fiscal Note Details

The amendment strikes the underlying bill and its associated fiscal impact resulting in the following impact.

Sections 1-6 require the Department of Consumer Protection (DCP) to establish a Canadian Legend Drug Importation Program (CLDIP) resulting in costs of approximately \$75,000 to DCP (salary) and \$30,398 to OSC (fringe benefits) in FY 23, and \$90,418 to DCP (salary) and \$36,646 to OSC (fringe benefits) in FY 24 and each fiscal year thereafter. In FY 23 only, a six-month durational Project Manager is needed to submit a request to the federal Secretary of Health and Human Services for approval to establish the CLDIP. Assuming federal approval is granted, a full-time Drug Control Agent will be needed to run the program beginning in FY 24.

Section 7-9 apply the state's copay accumulator program prohibition to high deductible health plans to the maximum extent permitted by federal law, which results in no fiscal impact to the state and municipalities.

Section 10-11 expand dental and vision coverage for state and nonstate public employee dependents through age 26. This is not expected to result in a fiscal impact.

Primary Analyst: ME
Contributing Analyst(s):

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(FN)

Section 12 allows the disclosure of certain tax return information to the Exchange, and requires the Department of Revenue Services to revise income tax forms. This results in a one-time cost of less than \$100,000 in FY 24 only associated with updates to hard copy forms and the online Taxpayer Service Center.

Section 13 adds the executive director of OHS to the statutory definition of a department head. This has no fiscal impact.

Section 14 requires the Office of Health Strategy to prepare and submit a report on pharmacy benefit manager distribution of prescription drug practices regarding spread pricing arrangements, manufacturing rebates and transparency and accountability. OHS will need to hire a consultant, with a one-time cost estimated at \$300,000 to prepare this report as OHS staff does not have expertise in this area.

Section 15 requires the State Comptroller to produce a report that includes an analysis of state purchasing pools for prescription drugs and health care supplies which is not expected to result in a fiscal impact because the Office of the State Comptroller (OSC) already has the resources and expertise to do so.

Sections 16 and 17 of the amendment, which extends the notification period that insureds must notify insurers regarding the birth of a child, from 61 days to 91 days. The amendment specifies that claims during the extended period are not prejudiced if notification or payment of premium is not provided, and therefore there is no anticipated impact to premiums to the state employee health plan, the Exchange, or municipal plans.

Section 18, which establishes a task force to study common interest ownership communities, has no fiscal impact because PA 17-236 prohibits transportation allowances for task force members.

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.