



House of Representatives

File No. 834

General Assembly

January Session, 2015

(Reprint of File No. 283)

Substitute House Bill No. 6770
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
May 15, 2015

AN ACT CONCERNING MEDICAID COVERAGE FOR OVER-THE-COUNTER DRUGS AND PRODUCTS AND REQUIREMENTS FOR MEDICAID BENEFIT CARDS AND NOTICE OF REGULATIONS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 17b-280a of the general statutes is repealed and
2 the following is substituted in lieu thereof (*Effective July 1, 2015*):

3 [Notwithstanding any provision of the general statutes, no] No
4 payment shall be made under a medical assistance program
5 administered by the Department of Social Services for over-the-counter
6 [drugs] medications, except for (1) the medical assistance program
7 established pursuant to section 17b-256, (2) insulin and insulin
8 syringes, (3) nutritional supplements for individuals who are required
9 to be tube fed or who cannot safely ingest nutrition in any other form,
10 and as may be required by federal law, (4) [effective January 1, 2012,]
11 smoking cessation [drugs] medications as provided in section 17b-
12 278a, (5) over-the-counter medications and products determined by the
13 Commissioner of Social Services to be appropriate for coverage based
14 on their clinical efficacy, safety and cost effectiveness, and [(5)] (6)

15 over-the-counter [drugs] medications that are required to be covered
16 pursuant to 42 CFR 440.347, including [drugs] medications for
17 individuals with specified diagnoses that have a rating of "A" or "B" in
18 the current recommendations of the United States Preventive Services
19 Task Force, provided the Department of Social Services may also pay
20 for such over-the-counter [drugs] medications under a medical
21 assistance program or portion thereof that is not subject to 42 CFR
22 440.347. [On or before August 1, 2011, the Commissioner of Social
23 Services shall provide notice to pharmacists who provide services to
24 beneficiaries of a medical assistance program administered by the
25 department that such pharmacists may bill the department for
26 supplies utilized in the treatment of diabetes using the durable medical
27 equipment, medical surgical supply fee schedule. The commissioner
28 shall provide a copy of such notice to the joint standing committees of
29 the General Assembly having cognizance of matters relating to human
30 services and appropriations and the budgets of state agencies.]

31 Sec. 2. Section 17b-10a of the general statutes is repealed and the
32 following is substituted in lieu thereof (*Effective July 1, 2015*):

33 The Commissioner of Social Services, pursuant to section 17b-10,
34 may implement policies and procedures necessary to administer
35 section 17b-197, subsection (d) of section 17b-266, section 17b-280a, as
36 amended by this act, and subsection (a) of section 17b-295, while in the
37 process of adopting such policies and procedures as regulation,
38 provided the commissioner prints notice of intent to adopt regulations
39 [in the Connecticut Law Journal] on the department's Internet web site
40 and the eRegulations System not later than twenty days after the date
41 of implementation. Policies and procedures implemented pursuant to
42 this section shall be valid until the time final regulations are adopted.

43 Sec. 3. Section 17b-261t of the general statutes is repealed. (*Effective*
44 *from passage*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2015</i>	17b-280a
Sec. 2	<i>July 1, 2015</i>	17b-10a
Sec. 3	<i>from passage</i>	Repealer section

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do 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.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 16 \$	FY 17 \$
Department of Social Services	GF - Savings	Potential	Potential

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill allows the Department of Social Services (DSS) to purchase over-the-counter (OTC) medications and products when it is determined that they are appropriate based on efficacy, safety and cost effectiveness. To the extent that DSS is able to substitute an OTC drug or product for a more expensive prescription drug and product, the state may realize a savings. The extent of these savings will be dependent upon the number of applicable lower cost OTC substitutes, which is not known. For purposes of perspective, the department spent a net \$374 million on pharmaceuticals in FY 14.

House "A" added OTC products, in addition to medications. This increased the potential savings noted in the underlying bill.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sHB 6770 (as amended by House "A")******AN ACT CONCERNING MEDICAID COVERAGE FOR OVER-THE-COUNTER DRUGS, MEDICAID BENEFIT CARDS AND NOTICE OF REGULATIONS.*****SUMMARY:**

This bill expands the types of over-the-counter drugs and products that the Department of Social Services (DSS) may pay for through its medical assistance programs to include those the DSS commissioner determines to be appropriate for coverage based on their clinical efficacy, safety, and cost effectiveness. The law generally bans DSS from paying for over-the-counter drugs and products with the following exceptions:

1. over-the-counter drug coverage through the Connecticut AIDS Drug Assistance Program,
2. insulin or insulin syringes,
3. nutritional supplements for people who must be tube fed or who cannot safely get nutrition in any other form,
4. smoking cessation drug, and
5. drugs that must be covered as essential health benefits under the federal Affordable Care Act.

By law, DSS may require prior authorization for any covered over-the-counter drugs.

Current law requires DSS to print notice of intent to adopt regulations in the Connecticut Law Journal within 20 days of

implementation. Instead, the bill requires DSS, within the same time period, to print the notice on the department’s website and the eRegulations system.

The bill also repeals a law that is unworkable because it is scheduled to take effect July 1, 2016. It required DSS, by January 1, 2015 (i.e., 18 months before the effective date), to require state-issued Medicaid benefit cards to include the name and contact information for the beneficiary’s primary care provider, if he or she has chosen one.

Additionally, the bill makes minor technical changes, including renaming “drugs” in this section of the law as “medications.”

*House Amendment “A” (1) allows DSS to pay for certain over-the-counter products in addition to medication, as in the original file (File 283), and (2) broadens the over-the-counter medications and products for which DSS may pay to include those that are appropriate for coverage based on their clinical efficacy, safety, and cost effectiveness, instead of just those that are medically necessary and cost effective.

EFFECTIVE DATE: July 1, 2105, except for the repealer, which is effective upon passage.

COMMITTEE ACTION

Human Services Committee

Joint Favorable

Yea 18 Nay 0 (03/12/2015)