

Insurance and Real Estate Committee

JOINT FAVORABLE REPORT

Bill No.: SB-328

AN ACT CONCERNING HEALTH CARE COST GROWTH BENCHMARKS,
CANADIAN DRUG REIMPORTATION, STOP-LOSS INSURANCE AND

Title: REINSURANCE.

Vote Date: 3/10/2020

Vote Action: Joint Favorable

PH Date: 3/5/2020

File No.:

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SPONSORS OF BILL:

Rep. Cara Christine Pavalock-D'Amato, 77th Dist.

Rep. Maria P. Horn, 64th Dist.

Rep. Josh Elliott, 88th Dist.

Rep. Kenneth M Gucker, 138th Dist.

Sen. Martin M. Looney, 11th Dist.

Rep. Holly H. Cheeseman, 37th Dist.

REASONS FOR BILL:

The bill was brought up in an attempt to limit the growing costs of health care in the State of CT. It does this by tackling it from 3 angles lowering costs of drugs by importing them from Canada, creating a reinsurance program and by creating a benchmarking program.

RESPONSE FROM ADMINISTRATION/AGENCY:

Kevin Lembo, State Comptroller supports the bill as it puts in place a plan for Canadian drug reimportation, establishes quality and care benchmarks as well as a cost growth benchmark.

Ted Doolittle Office of Health Care Advocate supports the bills as Canadian reimportation is a step toward reducing drug cost, but they can also add in requiring drug providers to certify that they know the drug price the patient and insurance provider will be paying before prescribing a drug.

Leonard A. Fasano Senate Republican Leader supports the bill as it can reduce the cost of health care through a bench marking program and reduce drug prices by reimportation of Canadian drugs. The reinsurance program will also reduce the cost of premiums for everybody as well.

NATURE AND SOURCES OF SUPPORT:

AARP supports this as safe importation of Canadian drugs would help lower costs for the Connecticut consumer.

Leon Ambrosey, Alan Anderson, Gary Andreoli, Wach Angelia, Joe Arovio, Patrick Arena, Chris Lineberger, Marcel Lessard, Merja Lehtinen, Nancy Legare, Duncan Bailey, Henry Bankowski, Michael Babaresi supports the bill as it will help lower costs of their health insurance. **Connecticut Association of Ambulatory Surgery Centers** supports the bill as it will help lower costs and provides their own data. They also propose their own substitute language in regards to data collection.

Connecticut Association Health Plans comments that it would like to continue discussion on the bill and follow it closely as it can help reduce costs.

Universal Health Care Foundation of Connecticut supports and comments on the reinsurance and growth benchmarking provisions in the bill. They believe that a better use of 21 million dollars would be in state-based subsidies. Two states have similar legislation California and Washington.

Harvard Pilgrim Health Care supports the bill but notes that there are other options that have been done in other states including New Hampshire's new rule on stop loss insurance that require them to file their rates annually.

UConn Health supports the bill as it tackles the cost to patients and the quality of care. They agree with the bills guidelines and welcome the opportunity to work with OHS in the data they would be keeping and sending.

Connecticut Hospital Association supports the bill and notes that they would like to work with the legislature on this bill in regard to what data should be collected and to include the appropriate adjustment factors.

Gaylord Hospital supports the bill as it will help lower costs and help patients afford the care they need to ensure they have a desirable outcome after treatments.

Michelle Rakebrand, Assistant Counsel, Connecticut Business & Industry Association supports the bill as it will help employers afford the costs of offering insurance to their workers and making sure it is affordable.

NATURE AND SOURCES OF OPPOSITION:

Christina Adams, Chief Pharmacy Officer, Canadian Society of Hospital Pharmacists opposes the bill as Canada lacks enough drug capacity to supply the demand that these polices would impose. There is also no track and trace system in Canada.

Connecticut Orthopedic Society opposes the bill as they are concerned about the benchmarking portion of the bill. They believe it would require an enormous amount of reporting and then penalize those that contribute to health care costs.

David Benoit, Northeast Pharmacy Service Corporation opposes the bill as they believe Canada lacks the infrastructure to meet the demand. This would force them to meet new guide lines and regulations to be accepted into this market.

The Connecticut Pharmacist Association opposes the bill as they believe importation would jeopardize patient safety and undermine the Drug Supply Chain Security Act.

The Biotechnology Innovation Organization expresses concerns on the bill as it studies have shown the saving would be minimal and it would hamper existing efforts to protect consumers such as the Drug Supply Chain Security Act.

The Partnership for Safe Medicines opposes the bill as it believes it will cause a pharmaceutical supply chain safety issue, such as inviting black market drug sellers to sell fake drugs and note that the safety requirements will eat up the cost saving.

Connecticut Association of Community Pharmacies opposes the bill due to the price control provisions and medication shortage likelihoods that it may cause. It was also noted

that Connecticut's pharmacies do not currently have the infrastructure for drug importation from Canada.

Reported by: Lawrence Sanchez

Date: 03/31/2020