

Human Services Committee JOINT FAVORABLE REPORT

Bill No.: SB-11

AN ACT CONCERNING PRESCRIPTION DRUG ACCESS AND

Title: AFFORDABILITY.

Vote Date: 3/14/2025

Vote Action: Joint Favorable Substitute

PH Date: 3/11/2025

File No.: 420

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CO-SPONSORS OF BILL:

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SPONSORS OF BILL:

Human Services Committee

REASONS FOR BILL:

This bill was introduced to address the rising cost of prescription drugs and to increase transparency and accountability across the pharmaceutical supply chain. It seeks to implement reforms for pharmacy benefit managers (PBMs), including establishing fiduciary responsibilities, banning spread pricing, and tying reimbursement to fair, transparent pricing mechanisms. It also includes provisions for price caps on excessive drug price increases, protections for the 340B drug discount program, and studies on emergency preparedness for drug shortages. The bill aims to make prescription medications more affordable for Connecticut residents while ensuring regulatory alignment and protecting small employers' ability to offer flexible health benefit plans.

SUBSTITUTE LANGUAGE:

Section 25 of the committee bill, LCO 5928, was removed via voice amendment as it was a verbatim duplication of Section 16.

RESPONSE FROM ADMINISTRATION/AGENCY:

[Department of Social Services, Commissioner, Andrea Barton Reeves](#); comments on several sections of the bill. Section 7 requires nursing home facilities to spend at least 80% of Medicaid, Medicare, and all other forms of patient revenue on direct care costs. The Department is concerned that forced percentage spending was widely challenged in New York and that 20% is not enough revenue to cover non-care operating costs. Sections 8 and 9 were identified as potential cost drivers that are not included in the Governor's budget. The Department notes that sections 13-14 require coverage of generic GLP-1 medications for weight loss but no generic version of these medications has received FDA approval at this time. However, the Department strongly supports the provision in section 14 that creates an advisory committee to explore ways to expand coverage of this class of medication. The Department expressed further concern regarding the cost of covering GLP-1 drugs in section 15. In section 20, the Department recommended that language be clarified to assert that this section applies to commercial plans and not Medicaid. Sections 28-36 address international importation and are supported by the Department.

[Department of Consumer Protection, Commissioner, Bryan Cafferelli](#); expresses concerns regarding the department's role in this bill. The Department notes that several provisions deviate from the Uniform Administrative Procedures Act or current departmental practices. The Department also raises concerns about the additional resources and expertise required to regulate 340B drugs and manage civil penalty collections, which are not accounted for in the Governor's budget.

[Office of Health Strategy, Commissioner, Deidre Gifford](#); supports this bill, referring to findings from the 2024 OHS Cost Growth Benchmark Report which show that commercial drug spending in Connecticut has been rising both in the short and long term. The Office states that SB 11 takes important steps to address these rising prescription drug costs and aligns with the policy goals of the Governor's prescription drug policy bill, HB-6870. The Office expresses support for the bill's efforts to improve affordability and contain healthcare spending.

[Office of the Healthcare Advocate, Healthcare Advocate, Kathleen Holt](#); is in favor of this bill, citing financial barriers of accessing prescription drugs and the resultant difficulty CT residents have in taking their prescribed medications. The Office also notes findings that prescription drug costs are a primary driver of rising healthcare costs in the state and are priced higher than similar drugs sold in other countries, leading to higher costs to consumers and affecting their health as they skip or limit doses to save money.

[Department of Economic and Community Development, Commissioner, Daniel OKeefe](#); *supports this bill*, with particular support for Section 37, which establishes a task force to study emergency preparedness and mitigation strategies for prescription drug shortages and designates the DECD Commissioner or a designee as a member. The department welcomes the opportunity to participate and thanks the committee for including DECD on the task force. Also supports Section 38, which connects prescription drug shortage prevention efforts to DECD's Strategic Supply Chain Program. However, DECD notes that the program already

covers activities necessary to prevent or mitigate such shortages and does not require statutory amendment.

NATURE AND SOURCES OF SUPPORT:

[The Connecticut Hospital Association](#) is supportive of multiple sections of the bill and requests an amendment to one section. The Association appreciates sections 10-11 prohibiting arbitrary time limits on general anesthesia, sections 13-15 expanding access to generic GLP-1s and obesity treatments and the drug shortages mitigation task force contained in section 37. The Association requests an amendment to section 17's definition of "covered entity" to reflect the federal definition of "covered entity" at Section 340B(a)(4) of the Public Health Services Act, which includes hospitals that meet certain qualifications.

[Connecticut State Senate, President Pro Tempore, Martin Looney](#); supports this bill, citing structural and market forces that prevent one in five U.S. adults from filling prescriptions due to cost. The Senator states strong support for Pharmacy Benefit Manager reforms, including the establishment of fiduciary duty, a ban on spread pricing, and delinking PBM compensation from rebates and pharmacy payments. Support is also given to provisions that cap out-of-pocket insulin costs, prohibit Pharmacy Benefit Managers from restricting pharmacist speech, expand bulk purchasing authority for state agencies, strengthen protections for 340B contract pharmacies, reinforce access to critical medications such as GLP-1s, establish a reference pricing framework with penalties for noncompliance, expand emergency Medicaid coverage, address anti-competitive pricing practices, and implement a Canadian drug importation program.

[Connecticut State Senate, Majority Leader, Bob Duff](#); supports this bill, stating that studies show one-in-five U.S. adults did not fill a prescription due to cost in 2024, while 21% relied on over-the-counter alternatives, and one in ten cut pills in half or skipped doses to save money. In total, the Senator offers strong support for the bill and its ability to address many different aspects of prescription drug pricing.

[National Association of Chain Drug Stores, Director, Ben Pearlman](#); supports this bill, particularly efforts to rein in abusive practices by PBMs. The Association voices support for fair and adequate pharmacy reimbursement and protections for community pharmacies from PBM claw backs, as well as the elimination of spread pricing and the establishment of a fiduciary duty for PBMs. The Association also opposes any extension of the Maximum Fair Price (MFP) beyond the Medicare program if the legislation's intent is to incorporate it by reference as a legally binding contract provision, citing potential unintended consequences under the Inflation Reduction Act that could disadvantage independent pharmacies.

[Comm. Health Ctr. Assoc. of Connecticut, Chief Strategy Officer, Deb Polun](#); supports this bill, specifically Sections 17–18 which protect access to 340B pricing at local pharmacies. It is stated that manufacturer restrictions on contract pharmacies force vulnerable patients to travel long distances or go without necessary medications and that removing these restrictions improves access and health outcomes without imposing any cost to the state.

[Vice President of Network Develop-National Pharmaceutical Services Corporation, PharmD, Edward Schreiner Jr.](#); supports provisions enhancing PBM oversight, including banning

spread pricing, requiring fiduciary duty, and ensuring fair reimbursement. The Corporation recommends strengthening provisions related to contract fairness, appeals processes, reimbursement tied to NADAC/WAC and prohibiting forced arbitration, urging alignment with transparency focused PBM models to lower drug costs and protect independent pharmacies.

[AARP Connecticut, Associate State Director Advocacy, Natalie Shurtleff](#); supports this bill, emphasizing the importance of affordability for seniors. The Association further requests the inclusion of a consumer representative on the task force to study Medicaid coverage of weight loss drugs established in Section 15.

[Connecticut Pharmacists Assoc, Chief Executive Officer, Nathan Tinker](#); supports this bill, specifically PBM oversight reforms and the study on Canadian drug importation. The Association requests amending Section 6 to include a pharmacist on the Prescription Drug Affordability Council. The Association further requests revising Section 17 to adopt the federal definition of “covered entity” to ensure 340B protections apply to hospitals beyond UConn Health.

[Disability Rights Connecticut, Litigation Attorney, Sheldon Toubman](#); supports this bill, particularly Section 9 which phases out HUSKY C asset limits. However, the Organization urges the inclusion of income reform to address ongoing discrimination against people with disabilities, citing violations of ERISA and the Connecticut Constitution (Article 1, Section 20). It is stated that current income and asset rules unfairly burden people with disabilities and older adults. The Organization also offers support for section 15 regarding coverage for FDA-approved weight loss drugs but raises concerns over provision to ensure full implementation and broader access.

[Connecticut Children's Medical Center](#); is in support of this bill, highlighting provisions related to anesthesia coverage, weight loss drug coverage, shortage mitigation, and vaccine development. The Organization also requests several amendments be made to the bill. In Section 14, they request the inclusion of an expert in pediatric medicine on the weight loss drug coverage task force. In Section 17-18 they request that the definition of “covered entity” in Section 17 be amended to reflect the federal definition of “covered entity” in section 340B(a)(4) of the Public Health Service Act.

The following people have submitted written testimony in support of the bill:

[University of Connecticut, MSW Policy Student, Sarah Makowicki](#)

[Nutmeg Pharmacy, PharmD, Greg McKenna](#)

[Hartford HealthCare, Vice President Pharmacy Services, Eric Arlia](#)

[Yale New Haven Health System, Senior Government Relations Officer, Jacqueline Blake](#)

[Middlesex Health, President, and Chief Executive Officer, Vincent Capece](#)

[Chief Executive Officer-Connecticut Institute for Communities, President, Katie Curran](#)

[Optimus Health Care, Chief Executive Officer, Karen Daley](#)

[First Choice Health Centers Inc, Chief Executive Officer, Jeffrey Steele](#)

[Connecticut Citizen Action Group, Tom Swan](#)

[Connecticut State Senate Democratic Caucus](#)

NATURE AND SOURCES OF OPPOSITION:

[Central Connecticut Chambers of Commerce, CEO and President, Katie Agostino](#); is opposed to the bill, stating that increasing the attachment points for both large and small employers will place a burden on business owners by restricting self-funded medical plans leading to hiring freezes and reduced work hours for employees.

[Pharmaceutical Research and Manufacturers of America, Senior Director of State Policy, Rachel Cottle Latham](#); opposes this bill and raises concerns with several specific provisions. It is stated that paying an 80% penalty on price increases greater than the consumer price index would impact the future availability of drugs and limit incentives for innovation. It is further stated that establishing a reference price tied to Medicare Maximum Fair Prices is an artificial price cap which could reduce the availability of life-saving therapies in Connecticut and result in fewer new treatments for patients. The Organization believes that 340B is a federal program that should only be governed federally and that requiring manufacturers to provide notice of certain patent settlement agreements could lead to worsening patient protection and deterrence of consumer litigation. The Organization also raises concerns about the Canadian importation program, including startup costs, resource investment, patient safety, enforcement power, and supply chain protection related to international pharmaceutical importation.

[Pharmaceutical Care Management Association, Senior Director of State Affairs, Sam Hallemeier](#); is opposed to the bill, stating the compensation delinking provision, fiduciary duty, and ban on spread pricing would harm PBMs. The Association opposes the PBM delinking provision, stating that in CT it would lead to \$301 million in cost increases on health care premiums in year one while increasing pharmaceutical profits and raising premiums. The Association also opposes the proposed PBM fiduciary duty as inappropriate, costly, and unnecessary, stating that it would make it nearly impossible for PBMs to deliver cost savings for health plans. Additionally, the Association opposes the ban on spread pricing, arguing that it would remove the option for a plan to design their benefit to best fit the needs of their beneficiaries.

[Connecticut Association of Health Plans, Executive Director, Susan Halpin](#); opposes the bill. The Association argues that insurers will have less flexibility in managing costs related to prolonged procedures requiring anesthesia, which ultimately could be passed on to consumers in the form of higher premiums or increased out-of-pocket expenses. It is stated that the stop loss insurance provisions in section 12 may harm small employers and poses potential legal violations of ERISA preemption. It is also stated that proposed caps on the price of drugs to consumers would simply spread the cost across more people resulting in higher premiums. Additionally, the Association opposes sections 23-25, arguing that the proposed legislation on PBM fiduciary duty, ban on spread pricing, and enforcing pharmacy reimbursement standards could cripple key functions performed by PBMs in service of containing costs. Finally, the Association opposes section 26, arguing that the required disclosure of sensitive carrier information could undermine competitive market dynamics.

[Healthcare Distribution Alliance, Director State Govt Affairs, Kelly Memphis](#); opposes the inclusion of healthcare distributors in the bill. It is stated that wholesale distributors do not set the set or change the Wholesale Acquisition Cost (WAC) of medications, and do not bring products to market. The Alliance expresses overall concern with Sections 1-5, but requests that if the provisions are moved forward, wholesale distributors are removed from the

language. Concerns are stated regarding drug importation but support is offered for the creation of a drug shortage task force.

[LeadingAge Connecticut, President, Mag Morelli](#); opposes section 7 of the bill, stating that spending 80% of revenue on direct care would be financially unworkable. The Organization further notes that section 9 expands the HUSKY program beyond the original intent of the establishing legislation and supports the creation of a vaccine advisory committee in section 38.

[Bioscience Growth Council, Senior Counsel, Executive Director, Paul Pescatello](#); opposes this bill, stating that price control provisions (Sections 1–3), expansion of the 340B drug discount program (Sections 17–18), and Canadian drug importation provisions may harm pharmaceutical manufacturers. The Council argues that CPI-based pricing can distort markets, 340B expansion encourages abuse and undermines patient targeting, and importation is unsafe, impractical, and legally fraught. The Council does, however, support transparency in rebate flows but advocates for federal-level reform rather than state-based action.

The following people have submitted written testimony in opposition to this bill:

[Abbott Ball Company, Chief Financial Officer, Nicholas DiFiore](#)

[Acli, Vice President, Jill Rickard](#)

[Acrisure LLC, Partner, Tyler Vartenigian & Broker, Stephanie Amato](#)

[All-Points Technology Corp, Financial Controller, Robin Chasse](#)

[Alpha Q Inc, Chief Financial Officer, Richard Hurley](#)

[America's Health Insurance Plans, Resident of CT, Sarah Lynn Geiger](#)

[Andover Elementary School, Finance Director, Terri Smith](#)

[Anonymous, Resident of CT, Anonymous](#)

[Assured Partners, Account Executive, Kristin Goralski](#)

[Biotechnology Innovation Org, Dir State Government Affairs, Stephen Burm](#)

[Blueprint Benefit Advisors LLC, Principal, Joseph Bucci](#)

[Brown- Brown, Municipal Account Executive- Brown Insurance, Adrienne Dantonio, Vice President, Shirley Sullivan, Account Executive, Christel Aronson, Senior Vice President, Paul Cutler & Alyssa Tripodi](#)

[CBIA, Public Policy Associate, Grace Brangwynne](#)

[Center for Advanced Pediatrics, Resident of CT, Angela Murphy](#)

[Chief Executive Officer-The Waterbury Regional Chamber, President, Lynn Ward](#)

[Chief Financial Officer, Resident of CT, Anonymous](#)

[Coastal Connecticut Counseling, Founder, Alyssa Kolesar](#)

[Compass Powder Coating LLC, Bookkeeper, Nancy A Tashash](#)

[Company Secretary, Resident of CT, Kelly Mccarthy](#)

[Connecticut Food Association, President, Wayne Pesce](#)

[Consultant and Broker, Resident of CT, Carol Levarek](#)

[CRVCC, President, Jessica Olander](#)

[D-D Carbide Grinding Inc., President, Richard Mankus](#)

[Connecticut Oncology Association, Executive Director, Dawn Holcombe;](#)

[Dermatopathology Lab of N.E., Director, Philip Shapiro, Director, Alicia Sigal & Operations Manager, Nori Veiga](#)

[Distinctive Swimming Pools, Owner, Dean Florio](#)

[Diversified Group Brokerage, President, Brooks Goodison](#)
[East Branch Eng, President, Paul Guidotti](#)
[Emerson Rogers, Northeast Market Leader, Jason Whipple](#)
[Environics Inc., President, Rachel Stansel](#)
[Equity for Life LLC, President, Judith Montigny](#)
[Esteem Mfg Corp, Corporate Secretary, Suzanne Kostyk](#)
[Flagship Networks Inc, Resident of CT, Anonymous](#)
[GNHCC, President and Chief Executive Officer, Garrett Sheehan](#)
[Hilb Group, Vice President, Kevin Cuddeback](#)
[Horst Engineering, President and Chief Executive Officer, Scott Livingston](#)
[IAC, President, Eric George](#)
[Independent Business Owner, Resident of CT, Gary Tasillo](#)
[Infusion Access Foundation, Advocacy Associate, Sam Miller;](#)
[Korchek Technologies, Resident of CT, Gregory Francis](#)
[Litchfield Hills Eye Physicians, Physician, Daniel Kessler](#)
[Macman Insurance Associates, Resident of CT, Nicholas Sheketoff](#)
[Meridian Risk Management, Managing Partner, Tom Clements](#)
[Middlesex YMCA, HR Administrator, Stephanie Grover](#)
[Micari Financial Group, Business Owner, William Micari](#)
[MW Group Benefits Inc., Broker, Kathy Aiken](#)
[New England Stair Company, Controller, Jennifer Sylvia](#)
[No Agency Listed, Office Manager, Jordan Aronson](#)
[Onedigital, Resident of CT, Michael Gilbert](#)
[No Agency Listed, Owner, Jeffrey Aronson](#)
[Peter Krause Insurance Inc, President, Peter Krause](#)
[PMP Corporation, Chief Financial Officer, Peter Kellogg](#)
[Wilgan Insurance, Principal, David Wilgin](#)
[Resident of CT, Jeff Coleman](#)
[Resident of CT, Jesse McDonald](#)
[Resident of CT, Christine Lombardi](#)
[Resident of CT, Catharine Petronis](#)
[Resident of CT, Naitnapar Sidney](#)
[Resident of CT, Jeffery Ward](#)
[Resident of CT, Patricia Ward](#)

Reported by: Dana Nestor

Date: April 9, 2025