



House of Representatives

General Assembly

File No. 243

February Session, 2026

Substitute House Bill No. 5375

House of Representatives, March 30, 2026

The Committee on Insurance and Real Estate reported through REP. WOOD of the 29th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE RECOMMENDATIONS OF THE INSURANCE AND REAL ESTATE COMMITTEE WORKING GROUPS.

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

1 Section 1. (NEW) (*Effective October 1, 2026*) (a) As used in this section:

2 (1) "Nonprofit human services provider" means any nonprofit
3 provider that contracts with the state to provide health and human
4 services that may include, but need not be limited to: (A) Services for
5 persons with a physical disability; (B) services for persons with an
6 intellectual disability or developmental disabilities, including, but not
7 limited to, autism spectrum disorder; and (C) behavioral health services;
8 and

9 (2) "Purchase of service contract" and "state agency" have the same
10 meanings as provided in section 4-70b of the general statutes.

11 (b) No nonprofit human services provider that contracts with the
12 state through a purchase of service contract shall be liable for injury to
13 person or property caused by the negligent acts or omissions of any state
14 official, state employee or third party occurring during the performance

15 of such nonprofit human services provider's contractual obligations
16 pursuant to such purchase of service contract.

17 Sec. 2. (*Effective from passage*) The Insurance Commissioner shall study
18 the feasibility of (1) allowing one or more nonprofit entities to pool such
19 nonprofit entities' liability insurance policies, including general liability
20 insurance and automobile liability insurance, and (2) establishing a
21 captive insurance company or program to insure the risk of such pool.
22 Not later than February 1, 2027, the Insurance Commissioner shall
23 report, in accordance with the provisions of section 11-4a of the general
24 statutes, to the joint standing committee of the General Assembly
25 having cognizance of matters relating to insurance on the findings of
26 such study.

27 Sec. 3. (*Effective from passage*) The Insurance Commissioner shall
28 conduct a study to examine the degree to which (1) third-party litigation
29 funding in litigation involving an insurance claim, (2) settlement tactics
30 in litigation involving an insurance claim, and (3) factors increasing the
31 costs of litigation involving an insurance claim affect the cost of
32 insurance premiums and insurance claim severity. Not later than
33 February 1, 2027, the Insurance Commissioner shall report, in
34 accordance with the provisions of section 11-4a of the general statutes,
35 to the joint standing committees of the General Assembly having
36 cognizance of matters relating to insurance and the judiciary on the
37 findings of such study.

38 Sec. 4. (NEW) (*Effective January 1, 2028*) (a) As used in this section:

39 (1) "Health benefit plan" has the same meaning as provided in section
40 38a-1080 of the general statutes.

41 (2) "Health carrier" has the same meaning as provided in section 38a-
42 1080 of the general statutes.

43 (3) "Pharmacist" has the same meaning as provided in section 38a-
44 479aaa of the general statutes.

45 (4) "Pharmacy benefits manager" has the same meaning as provided

46 in section 38a-479aaa of the general statutes.

47 (5) "Covered clinical service" means any service or procedure that (A)
48 is within the scope of the pharmacist's license under chapter 400j of the
49 general statutes, and (B) is a covered service under the terms of the
50 health benefit plan when performed by any other licensed health care
51 provider.

52 (b) Each health carrier, or third-party administrator or pharmacy
53 benefits manager, as applicable, that provides, administers or manages
54 benefits under a health benefit plan in this state shall ensure that
55 reimbursement processes and provider networks are inclusive of
56 pharmacists for the purpose of reimbursing covered clinical services.

57 (c) A health carrier, third-party administrator or pharmacy benefits
58 manager shall not deny reimbursement solely based on a provider's
59 license type when such service is:

60 (1) Within the scope of the pharmacist's license under chapter 400j of
61 the general statutes; and

62 (2) Otherwise eligible for reimbursement when performed by a
63 physician, physician assistant or advanced practice registered nurse.

64 (d) Nothing in this section shall be construed to:

65 (1) Require coverage of any service not otherwise covered under the
66 health benefit plan; or

67 (2) Prevent a health carrier, third-party administrator or pharmacy
68 benefits manager from establishing reasonable participation,
69 credentialing or contracting standards.

70 (e) The Insurance Commissioner may adopt regulations, in
71 accordance with chapter 54 of the general statutes, to implement the
72 provisions of this section.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2026</i>	New section
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>January 1, 2028</i>	New section

INS *Joint Favorable Subst.*

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 27 \$	FY 28 \$
Insurance Dept.	IF - Cost	175,000-250,000	None

Note: IF=Insurance Fund

Municipal Impact: None

Explanation

The bill requires the Insurance Department to conduct studies resulting in a combined cost to the Insurance Fund of approximately \$175,000 to \$250,000 in FY 27.

The bill requires the department to study: (1) nonprofit liability insurance and the feasibility of establishing a captive insurance company for this purpose, and (2) litigation involving insurance claims. This results in an expected cost of \$100,000 to \$150,000 and \$75,000 to \$100,000, respectively, to contract consultants as the department lacks the expertise needed to conduct the studies and issue accompanying reports by February 1, 2027.

The bill also: (1) gives immunity from civil liability to state-contracted nonprofit human services providers for injuries caused by the state or a third party, and (2) requires pharmacists to be included in clinical service reimbursement. This results in no fiscal impact to the state.

The Out Years

The bill has no cost in the out years as the costs are one-time in nature.

OLR Bill Analysis

sHB 5375

AN ACT CONCERNING THE RECOMMENDATIONS OF THE INSURANCE AND REAL ESTATE COMMITTEE WORKING GROUPS.

SUMMARY

This bill makes unrelated changes affecting the liability of nonprofit human services contractors' and the compensation of pharmacists for certain covered services.

Specifically, the bill does the following:

1. gives immunity from civil liability, under certain circumstances, to nonprofit human services providers that contract with the state through a purchase of service contract;
2. requires health carriers, third-party administrators, and pharmacy benefits managers (PBMs) covering benefits under a health benefit plan in Connecticut to (a) reimburse pharmacists for covered clinical services and (b) include them in reimbursement processes and provider networks; and
3. authorizes the insurance commissioner to adopt implementing regulations regarding pharmacists' compensation.

Lastly, the bill also requires the commissioner to (1) study the feasibility of allowing nonprofit entities to pool their liability; (2) examine the impact of insurance claim litigation; and (3) report his findings to the legislature by February 1, 2027.

EFFECTIVE DATE: October 1, 2026, except the provisions on pharmacists' compensation are effective January 1, 2028, and the insurance commissioner's studies are effective upon passage.

NONPROFIT PROVIDERS' CIVIL IMMUNITY

The bill gives immunity from civil liability, under certain circumstances, to nonprofit human services providers that contract with the state through a purchase of service contract. Specifically, the bill explicitly states that while the provider is performing its contractual obligations, it is not liable for injury to any person or property that is caused by a state official's, state employee's, or third-party's negligent act or omission.

These protections apply to any nonprofit provider that contracts with the state to provide health and human services, such as behavioral health services and services for people with physical, intellectual, or developmental disabilities, including autism spectrum disorder.

Under the bill, a "purchase of service contract" is one between a state agency and a private provider organization (not an individual) or municipality for direct health and human services for agency clients. Generally, this does not include administrative or clerical services, material goods, training, or consulting services. A state agency is any state department, board, council, commission, institution, or other executive branch agency.

PHARMACISTS' COMPENSATION

By law, licensed pharmacists are recognized as health care providers. The bill provides for their compensation when they deliver covered services under certain health plans.

Clinical Services Reimbursement

Specifically, the bill requires health carriers, third-party administrators, and PBMs covering benefits under a health benefit plan (see below) in Connecticut to (1) reimburse pharmacists for covered clinical services (see below) and (2) include them in reimbursement processes and provider networks. The bill explicitly states that it should not be construed to require coverage of any service not otherwise covered under the plan.

Applicability. The bill applies to any insurance company, fraternal

benefit society, hospital service corporation, medical service corporation, health care center, or other entity subject to Connecticut insurance laws and regulations (“health carrier”). It also applies to PBMs that administer the prescription drug, prescription device, or pharmacist services portion of a health benefit plan on behalf of plan sponsors, such as self-insured employers, insurance companies, labor unions, and health care centers. Lastly, it also applies to third-party administrators.

Health Benefit Plan. Under the bill, a “health benefit plan” is an insurance policy or contract offered, delivered, issued for delivery, renewed, amended, or continued in Connecticut by a health carrier to provide, deliver, pay for, or reimburse health care service costs. Coverage for certain types of benefits is expressly excluded, such as disability, specified accident or accident only, long term care, Medicare or TriCare supplement, travel health, any single service ancillary health (for example, vision, dental, or prescription drug coverage), or certain other limited scope, supplemental, or fixed indemnity benefits.

Covered Clinical Service

Under the bill, “covered clinical service” is any service or procedure (1) within the scope of the pharmacist’s license and (2) covered under the terms of the health benefit plan when done by any other licensed health care provider (physician, physician assistant, or advanced practice registered nurse).

The bill prohibits a health carrier, third-party administrator, or PBM from denying reimbursement for any covered clinical service solely based on the type or scope of the provider’s license.

Credentialing and Contracting Standards

The bill specifies that it does not prevent health carriers, third-party administrators, and PBMs from setting reasonable participation, credentialing, and contracting standards for pharmacists.

INSURANCE COMMISSIONERS’ STUDIES

The bill requires the commissioner to study liability pooling as an

option for nonprofit entities and the impact of claim litigation.

Liability Pooling

The bill specifically requires the commissioner to (1) study the feasibility of allowing one or more nonprofit entities to pool their liability insurance policies, including general liability insurance and automobile liability insurance, and establishing a captive insurance company or program to insure the pool’s risk and (2) by February 1, 2027, report his findings to the Insurance and Real Estate Committee.

Insurance Claim Litigation

Regarding the study on the impact of insurance claim litigation, the commissioner must examine the extent to which insurance premium costs and claim severity are affected by third-party litigation funding, settlement tactics, and factors increasing litigation costs. The commissioner must report his findings to the Insurance and Real Estate and Judiciary committees by February 1, 2027.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 13 Nay 0 (03/12/2026)