

OFFICE OF FISCAL ANALYSIS

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sSB-494

AN ACT CONCERNING PRESCRIPTION DRUG SHORTAGES,
PRESCRIPTION DRUG REBATES AND PROHIBITED
MANUFACTURER PRACTICES CONCERNING CERTAIN
PRESCRIPTION DRUGS.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Treasurer, Debt Serv.	GF - Potential Cost	See Below	See Below
Social Services, Dept.	GF - Potential Savings	See Below	See Below
Consumer Protection, Dept.	GF - Cost	199,182	195,182
State Comptroller - Fringe Benefits ¹	GF - Cost	79,166	79,166
Resources of the General Fund	GF - Potential Revenue Gain	See Below	See Below
UConn Health Ctr.	Other Funds - Potential Savings	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill makes various changes regarding prescription drugs resulting in the impacts described below.

Section 1 has no fiscal impact by modifying the membership of a task force to study emergency preparedness and mitigation strategies for

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.82% of payroll in FY 27.

prescription drug shortages.

Section 2 expands the Strategic Supply Chain Initiative program, which is funded by General Obligation (GO) bond funds, to include efforts to prevent or mitigate prescription drug shortages.

Future General Fund debt service costs may be incurred sooner under the bill to the degree that it causes authorized GO bond funds to be expended more rapidly than they otherwise would have been. To date, the State Bond Commission allocated \$49.5 million in total bond funds to the Strategic Supply Chain Initiative program.² The bill does not change GO bond authorizations relevant to the program.

Section 3 requires the Department of Social Services (DSS) to develop and implement a plan to increase the number of supplemental rebates for drugs on the preferred drug list or formulary by at least 20%. To the extent DSS is able to achieve higher rebate levels, DSS will experience related pharmacy savings.

Sections 4 - 5 require the Department of Consumer Protection (DCP) to regulate the 340B marketplace resulting in a cost to the state. DCP does not currently regulate this marketplace or have the expertise to do so and will have to hire two employees to meet the requirements of the bill. DCP will need to hire one drug control agent and one staff attorney for a salary and other expenses cost of \$199,182 in FY 27 and \$195,182 in FY 28, along with associated fringe benefit costs of \$79,166 per year.

These sections also create a civil penalty of \$50,000 for every violation resulting in a potential revenue gain to the state to the extent that violations occur.

Sections 4 - 5 also result in a potential savings to UConn Health Center (UCHC) annually beginning in FY 27. The sections restrict the ability of prescription drug manufacturers to limit the purchasing of

² The State Bond Commission reallocated funding from the Manufacturing Assistance Act program towards the Strategic Supply Chain Initiative at the [August 2025](#) and [December 2025](#) meetings.

340B drugs by covered entities, which includes UCHC. Any savings will vary based on any increase in the purchase of 340B drugs that occurs due to the bill. From 2024 to 2025, UCHC incurred approximately \$8 million in unrealized savings due to 340B drug purchasing limits imposed by prescription drug manufacturers, and which the bill restricts.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to employee wage increases, the number of violations, and inflation.