



General Assembly

Substitute Bill No. 494

February Session, 2026



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

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

1 Section 1. Section 28-33 of the 2026 supplement to the general statutes
2 is repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage*):

4 (a) There is established a task force to study emergency preparedness
5 and mitigation strategies for prescription drug shortages. The task force
6 shall identify prescription drugs at risk of shortage in this state and
7 make recommendations pursuant to subsection (g) of this section.

8 (b) The task force shall consist of the following members:

9 (1) Two appointed by the speaker of the House of Representatives,
10 one of whom has expertise in prescription drug supply chains and one
11 of whom has expertise in federal law concerning prescription drug
12 shortages;

13 (2) Two appointed by the president pro tempore of the Senate, one of
14 whom represents hospitals and one of whom represents health care
15 providers who treat patients with rare diseases;

16 (3) One appointed by the majority leader of the House of
17 Representatives, who represents one of the two federally recognized
18 Indian tribes in the state;

19 (4) One appointed by the majority leader of the Senate, who
20 represents one of the two federally recognized Indian tribes in the state;

21 (5) One appointed by the minority leader of the House of
22 Representatives, who represents health insurance companies;

23 (6) One appointed by the minority leader of the Senate, who is a
24 representative of the Connecticut Health Insurance Exchange;

25 (7) The Commissioner of Health Strategy, or the commissioner's
26 designee;

27 (8) The Commissioner of Consumer Protection, or the commissioner's
28 designee;

29 (9) The Commissioner of Social Services, or the commissioner's
30 designee;

31 (10) The Commissioner of Public Health, or the commissioner's
32 designee;

33 (11) The chief executive officer of The University of Connecticut
34 Health Center, or the chief executive officer's designee;

35 (12) The Insurance Commissioner, or the commissioner's designee;

36 (13) The Commissioner of Economic and Community Development,
37 or the commissioner's designee; [and]

38 (14) The House chairperson and Senate chairperson of the joint
39 standing committee of the General Assembly having cognizance of
40 matters relating to human services, who shall serve as chairpersons of
41 the task force; and

42 ~~[(14)]~~ (15) Any other members as deemed necessary by the

43 chairpersons of the task force.

44 (c) Task force members appointed pursuant to subdivisions (1) to (6),
45 inclusive, and (15) of subsection (b) of this section shall serve two-year
46 terms. Subsequent appointments shall be made on a staggered basis,
47 with members subsequently appointed pursuant to subdivisions (1) to
48 (3), inclusive, and (15) of subsection (b) of this section appointed to two-
49 year terms and members subsequently appointed pursuant to
50 subdivisions (4) to (6), inclusive, of said subsection appointed to three-
51 year terms. Terms for members appointed pursuant to subdivisions (7)
52 to (14), inclusive, of said subsection shall be coterminous with their
53 terms in office. Any member of the task force appointed under
54 subdivision (1), (2), (3), (4), (5), [or] (6) or (15) of subsection (b) of this
55 section may be a member of the General Assembly.

56 (d) All initial appointments to the task force shall be made not later
57 than [thirty days after July 8, 2025] August 1, 2026. Any vacancy shall
58 be filled by the appointing authority.

59 (e) The [speaker of the House of Representatives and the president
60 pro tempore of the Senate shall select the chairpersons of the task force
61 from among the members of the task force. Such] chairpersons of the
62 task force shall schedule the first meeting of the task force, which shall
63 be held not later than [sixty days after July 8, 2025] September 1, 2026.

64 (f) The administrative staff of the joint standing committee of the
65 General Assembly having cognizance of matters relating to [general
66 law] human services shall serve as administrative staff of the task force.

67 (g) Not later than January 1, [2026] 2027, and annually thereafter, the
68 task force shall submit a report on its findings and recommendations to
69 the joint standing committees of the General Assembly having
70 cognizance of matters relating to general law, human services, insurance
71 and real estate and public health, in accordance with the provisions of
72 section 11-4a. [, including, but not] The report shall include, but need
73 not be limited to, identification of prescription drugs the task force
74 determines are at risk of shortage and strategies that would mitigate

75 these shortages, including methods to increase in-state production of
76 such drugs deemed both at risk of shortage and critically necessary for
77 the provision of health care within the state.

78 Sec. 2. (NEW) (*Effective July 1, 2026*) (a) As used in this section,
79 "Strategic Supply Chain Initiative" means a program administered by
80 the Department of Economic and Community Development to help
81 state-based companies to increase their production capacity to win new
82 business and attract out-of-state and international supply chain
83 operations.

84 (b) The Commissioner of Economic and Community Development
85 shall expand the Strategic Supply Chain Initiative to include efforts to
86 prevent or mitigate prescription drug shortages, including, but not
87 limited to, incorporating recommendations to prevent or mitigate
88 prescription drug shortages by the task force established pursuant to
89 section 28-33 of the general statutes, as amended by this act.

90 Sec. 3. Section 17b-491c of the general statutes is repealed and the
91 following is substituted in lieu thereof (*Effective July 1, 2026*):

92 (a) On and after February 1, 2008, any pharmaceutical manufacturer
93 of a prescription drug covered by the Department of Social Services
94 under a state medical assistance program administered by the
95 department that is a federally qualified state pharmacy assistance
96 program shall provide rebates to the department for prescription drugs
97 paid for by the department under such program in unit rebate amounts
98 equal to the unit rebate amounts paid under the Medicaid program.

99 (b) On and after February 1, 2008, any pharmaceutical manufacturer
100 of a prescription drug covered by the department under a state medical
101 assistance program that is not a federally qualified state pharmacy
102 assistance program shall provide rebates to the department. The unit
103 rebate amount shall be calculated as follows: (1) For noninnovator
104 multiple source drugs, the average manufacturer's price multiplied by
105 eleven per cent, and (2) for single source or innovator drugs, the greater
106 of the average manufacturer's price multiplied by fifteen and one-tenth

107 per cent or the average manufacturer's price minus best price. In the
108 event the calculated rebate would establish a new Medicaid best price,
109 the unit rebate amount will be capped at the average manufacturer's
110 price minus best price.

111 (c) The department may enter into contracts for supplemental rebates
112 for drugs that are on a preferred drug list or formulary established by
113 the department. On and after July 1, 2026, the department shall develop
114 and implement a plan to increase the number of such supplemental
115 rebates by not less than twenty per cent.

116 (d) Pharmaceutical manufacturers shall submit written confirmation
117 of participation on a form prescribed by the Commissioner of Social
118 Services, that states the terms of participation, including, but not limited
119 to, the process by which a manufacturer may discontinue participation.
120 The department shall provide advance notice to participating
121 manufacturers if a new pharmacy assistance program is established and
122 shall provide the manufacturers with the opportunity to discontinue
123 participation. The department shall promptly notify participating
124 manufacturers if a state pharmacy assistance program becomes
125 disqualified. If a program becomes disqualified and a manufacturer has
126 paid rebates at the rate for a qualified program, the department shall
127 reimburse the manufacturer the amount overpaid as a result of
128 disqualification.

129 (e) A manufacturer shall not be required to provide a rebate for a
130 prescription drug that is new to the marketplace until the quarter in
131 which the manufacturer has established a Medicaid best price for the
132 product.

133 (f) No payment shall be made by the department for the prescription
134 drugs of a manufacturer that does not provide rebates to the department
135 pursuant to this section unless a specific drug is determined by the
136 department to be medically necessary for an individual client.

137 (g) Not later than January fifteenth annually, the Commissioner of
138 Social Services shall file a report, in accordance with the provisions of

139 section 11-4a, with the joint standing committee of the General
140 Assembly having cognizance of matters relating to human services on
141 (1) the number of prescription rebates received the previous calendar
142 year, (2) any increase or decrease in such rebates from the previous
143 calendar year, (3) the number of supplemental rebates negotiated by the
144 commissioner pursuant to subsection (c) of this section, and (4) any
145 increase or decrease in such rebates from the previous calendar year.

146 Sec. 4. (NEW) (*Effective from passage*) As used in this section and
147 section 5 of this act:

148 (1) "340B drug" means a drug that (A) is a covered outpatient drug
149 within the meaning of 42 USC 256b; (B) has been subject to any offer for
150 reduced prices by a manufacturer under 42 USC 256b(a)(1); and (C) is
151 purchased by a covered entity. "340B drug" includes a drug that would
152 have been purchased but for the restriction or limitation described in
153 subsection (a) of section 5 of this act;

154 (2) "Biologic" has the same meaning as provided in section 21a-70d of
155 the general statutes;

156 (3) "Covered entity" means The University of Connecticut Health
157 Center, a federally qualified health center, a family planning clinic and
158 a Ryan White clinic;

159 (4) "Manufacturer" has the same meaning as provided in section 21a-
160 70 of the general statutes. "Manufacturer" includes manufacturers of
161 biologics;

162 (5) "Package" has the same meaning as provided in 21 USC
163 360eee(11)(A); and

164 (6) "Pharmacy" has the same meaning as provided in section 20-571
165 of the general statutes.

166 Sec. 5. (NEW) (*Effective from passage*) (a) A manufacturer, or an agent
167 or affiliate of such manufacturer, shall not, either directly or indirectly:

168 (1) Deny, restrict, prohibit, discriminate against or otherwise limit the
169 acquisition of a 340B drug by, or delivery of a 340B drug to, a pharmacy
170 that is under contract with, or otherwise authorized by, a covered entity
171 to receive 340B drugs on behalf of the covered entity unless such receipt
172 is prohibited under federal law; or

173 (2) Require a covered entity, or a pharmacy that is under contract
174 with a covered entity, to submit any claims or utilization data as a
175 condition for allowing the acquisition of a 340B drug by, or delivery of
176 a 340B drug to, a covered entity, or a pharmacy that is under contract
177 with a covered entity, unless the claims or utilization data sharing is
178 required by the United States Department of Health and Human
179 Services.

180 (b) (1) On and after July 1, 2026, if the Commissioner of Consumer
181 Protection receives information and has a reasonable belief, after
182 evaluating such information, that any manufacturer, or an agent or
183 affiliate of such manufacturer, has acted in violation of any provision of
184 this section or regulation adopted thereunder, such manufacturer, or an
185 agent or affiliate of such manufacturer, shall be subject to a civil penalty
186 of not more than fifty thousand dollars for each violation. The
187 commissioner shall issue a notice of violation and civil penalty and may
188 issue such notice by first-class mail or personal service. Such notice shall
189 include: (A) A reference to the section of the general statutes or
190 regulation of Connecticut state agencies believed or alleged to have been
191 violated; (B) a short and plain-language statement of the matters
192 asserted or charged; (C) a description of the activity to cease; (D) a
193 statement of the amount of the civil penalty or penalties that may be
194 imposed; (E) a statement concerning the right to a hearing; and (F) a
195 statement that such manufacturer, or an agent or affiliate of such
196 manufacturer, may, not later than ten business days after receipt of such
197 notice, make a request for a hearing on the matters asserted.

198 (2) The manufacturer, or an agent or affiliate of such manufacturer,
199 to whom such notice is provided pursuant to subparagraph (A) of
200 subdivision (1) of this subsection may, not later than ten business days

201 after receipt of such notice, make written application to the Department
202 of Consumer Protection to request a hearing to demonstrate that such
203 violation did not occur. The failure to make a timely request for a
204 hearing shall result in the issuance of a cease and desist order or
205 imposition of a civil penalty by the department. All hearings held under
206 this subsection shall be conducted in accordance with the provisions for
207 contested cases under chapter 54 of the general statutes.

208 (3) Following any hearing before the Department of Consumer
209 Protection pursuant to subdivision (2) of this subsection, if the
210 department finds, by a preponderance of the evidence, that any
211 manufacturer, or an agent or affiliate of such manufacturer, violated or
212 is violating any provision of this subsection, any regulation adopted
213 thereunder or any order issued by the department, the department shall
214 issue a final cease and desist order in addition to any civil penalty the
215 department imposes.

216 (c) Nothing in this section shall be construed or applied to be in
217 conflict with or less restrictive than:

218 (1) Applicable federal law and related regulations, including 21 USC
219 355-1, as amended from time to time; or

220 (2) Other laws of this state to the extent such laws are compatible with
221 applicable federal law.

222 (d) The Commissioner of Consumer Protection shall adopt
223 regulations in accordance with the provisions of chapter 54 of the
224 general statutes to implement the provisions of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	28-33
Sec. 2	<i>July 1, 2026</i>	New section
Sec. 3	<i>July 1, 2026</i>	17b-491c
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>from passage</i>	New section

Statement of Legislative Commissioners:

The title was changed, and in Section 4(4), the definition of "manufacturer" was rewritten for consistency with standard drafting conventions.

HS *Joint Favorable Subst.*