
OLR Bill Analysis

sHB 5040

AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET RECOMMENDATIONS FOR HEALTH AND HUMAN SERVICES.

SUMMARY

This bill makes various unrelated changes to human services-related statutes. Specifically, the bill:

1. sets a standardized \$269 monthly cash benefit for State Administered General Assistance (SAGA) beneficiaries, thereby eliminating current law's payment reduction for certain transitional people (§ 1);
2. adds antiretroviral drugs to the Medicaid preferred drug lists, allowing the state to negotiate supplemental rebates with drug manufacturers for these drugs (§ 2); and
3. authorizes the Department of Social Services (DSS) commissioner to periodically review available data on the clinical effectiveness of certain Medicaid-covered outpatient prescription drugs (§ 3).

EFFECTIVE DATE: July 1, 2026

§ 1 — SAGA BENEFITS

The bill sets a standardized \$269 monthly cash benefit for SAGA beneficiaries (subject to future cost of living adjustments), and in doing so, eliminates current law's temporary payment reduction for certain transitional people.

By law, SAGA generally provides cash assistance to single or married childless people who have very low incomes, do not qualify for other cash assistance programs, and are considered "transitional" or "unemployable." Under current law, monthly benefits are \$262 for unemployable individuals and transitional recipients who must pay for

their shelter and \$66 for transitional recipients who do not pay for shelter (these benefit amounts account for annual cost of living adjustments). For the latter, in practice DSS sends the transitional person's medical information to an independent reviewer, and if the person is deemed medically unemployable, the person's monthly benefit retroactively increases to \$262.

§ 2 — MEDICAID PREFERRED DRUG LIST AND ANTIRETROVIRAL DRUGS

The bill adds antiretroviral drugs to the Medicaid preferred drug lists, and in doing so, allows the state to negotiate supplemental rebates with drug manufacturers for them. (This group of medications is used to prevent and treat HIV.)

By law, DSS, in consultation with the Medicaid Pharmaceutical and Therapeutics Committee, may establish a preferred drug list (formulary) that limits the number of drugs that may be dispensed under the Medicaid program. Nonpreferred drugs in the drug classes included on the preferred drug list are subject to prior authorization. Under current law, classes of antiretroviral drugs are exempt from prior authorization requirements and cannot be included on preferred drug lists.

§ 3 — PERIODIC REVIEW OF MEDICAID PRESCRIPTION DRUGS

The bill authorizes the DSS commissioner to periodically review available data on the clinical effectiveness of Medicaid-covered outpatient prescription drugs that are projected to exceed, after factoring in rebates, (1) a per-consumer net cost of \$25,000 per year or (2) an aggregate annual cost to the program of \$10 million.

Under the bill, the commissioner may, within available appropriations, contract with a third party to conduct a comparative effectiveness review of any of these prescription drugs. At a minimum, this review must include the following:

1. clinical efficacy and outcomes;
2. pricing-related information, such as prices paid by other states or

developed nations;

3. the prescription drug's net price to the program compared to its therapeutic benefits, such as the seriousness and prevalence of the disease or condition the drug is treating;
4. the extent of the prescription drug's use and the likelihood that its use will reduce the need for other medical care;
5. how many manufacturers produce it; and
6. whether there are pharmaceutical equivalents.

Under the bill, the results of the review may be made public and shared with any entity or multi-state prescription drug purchasing collaborative that Connecticut is a member of, to help negotiate additional supplemental rebate agreements beyond those required under federal law.

COMMITTEE ACTION

Human Services Committee

Joint Favorable Substitute

Yea 23 Nay 0 (03/19/2026)