Act Number:	09-206	
Bill Number:	1048	
Senate Pages:	2929-2932, 4130-4154, 5930-6085, 6101-6102	**187**
House Pages:	8760-8802	**43**
Committee:	Insurance: 2073, 2075, 2129, 2136-2137 Public Health: 1189, 1194, 1211-1214, 1388	**12**
	Page Total:	**242**

S – 585

CONNECTICUT
GENERAL ASSEMBLY
SENATE

PROCEEDINGS
2009

VOL. 52
PART 9
2637 - 2957

Thank you, Mr. President.

Mr. President, I'd like the chamber to welcome Monica (inaudible) of New Britain to the chambers today. She is interning with the DePino's Associates, but she is a junior at Yale. She came to this country at nine years old from Poland, and, as I said, lives in New Britain. She is recently back from Argentina where she did some volunteer work with Habitat for Humanity. She's very active at Yale where she's president of the Yale Advance team. She's a lead attorney for the Yale Mock Trial Association and a peer advisor for the Undergraduate Career Services program. And, in addition to all of that, today is Monica's 22nd birthday, so if you'd wish her a happy birthday, through you, Mr. President.

THE CHAIR:

Thank you, Senator DeFronzo.

Mr. Clerk, the next bill.

THE CLERK:

Calendar page 29, Calendar Number 378, File Number 545, Substitute for Senate Bill 1048, AN ACT CONCERNING BULK PURCHASING OF PRESCRIPTION DRUGS, favorable report of the committees on the Public Health, Judiciary, Higher Educat -- Human Services and Government Administration and Elections.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Thank you, Mr. President.

I move acceptance of the Joint Committee's favorable report and passage of the bill.

THE CHAIR:

Acting on approval and acceptance of the bill, would you like to remark further, sir?

SENATOR HARRIS:

Yes, Mr. President. Thank you.

Mr. President, this bill involves, of course, the bulk purchasing of prescription drugs. It's one way in which we're exploring to try to lower the cost of healthcare and the cost of prescriptions, in particular, the citizens and taxpayers of Connecticut.

Mr. President, the Clerk is in possession of an amendment, LCO 7586. I ask that is it called, and I be granted permission to summarize.

THE CHAIR:

Mr. Clerk.

THE CLERK:

LCO 7586, which will be designated Senate Amendment Schedule A. It is offered by Senator Harris of the 5th District.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Thank you, Mr. President. I move adoption.

THE CHAIR:

Motion is on adoption. Would you like to remark further, sir?

SENATOR HARRIS:

Yes, I would, Mr. President, thank you very much.

THE CHAIR:

Please proceed.

SENATOR HARRIS:

Mr. President, this amendment is very simple. It just adds the insurance commissioner to the list of commissioners that would be involved in the implementation of a bulk purchasing prescription drug program. I urge adoption.

THE CHAIR:

Thank you, sir.

Will you remark? Will you remark further on Senate A? Will you remark further? If not, let me, try your minds.

All those in favor please signify by saying aye

Opposed, nays.

The ayes have it. Senate A is adopted.

Senator Looney.

SENATOR LOONEY:

I move that the bill, as amended, be referred to the Committee on Insurance and Real Estate.

THE CHAIR:

There's a motion on the floor to refer to Insurance and Real Estate. Seeing no objections, so ordered, sir.

SENATOR LOONEY:

Thank you, Mr. President, and also I would move that that bill be immediately referred to that committee, as well as the other items mentioned for committee referral -- that we may not have had others but would like to move that it be immediately sent to that committee for -- for its considerations.

THE CHAIR:

Seeing no objections, so ordered, sir.

Mr. Clerk.

THE CLERK:

Calendar page 33, Calendar 472, File Number 678. Substitute for Senate Bill 1157, AN ACT CONCERNING FUNDING FOR LEGAL SERVICES AND JUDICIAL BRANCH TECHNOLOGY, favorable report of the Committee on Judiciary; and Finance, Revenue and Bonding. The Clerk is in possession of the amendment.

S – 589

CONNECTICUT
GENERAL ASSEMBLY
SENATE

PROCEEDINGS
2009

VOL. 52
PART 13
3984 – 4323

one other item to mark go, to take up as the next item of business. And that is on page 31, Calendar 378, Senate Bill 1048. If the Clerk might call that item next, and that will likely be our last item.

THE CHAIR:

Will the Clerk please call Calendar 378.

THE CLERK:

Calendar page 31, Calendar Number 378, File Number 545, Substitute for Senate Bill 1048, AN ACT CONCERNING BULK PURCHASING OF PRESCRIPTION DRUGS, as amended by Senate Amendment Schedule A, favorable report of the Committees on Public Health, Judiciary, Human Services, GAE, and Insurance and Real Estate. Clerk is in possession of amendments.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Thank you, Mr. President. I move acceptance of the Joint Committee's favorable report and passage of the bill.

THE CHAIR:

The item before the Chamber is acceptance and passage.

Do you care to remark further?

SENATOR HARRIS:

Thank you, Mr. President. Mr. President, this is another one of our health care bills, and we actually have three pieces that we worked on in this session, again, with the goal to lower the cost of health care to the citizens and the people of the state of Connecticut.

Mr. President, the underlying bill is about the bulk purchasing of prescription drugs. And what this bill would do is require certain state agencies to develop and implement a plan, bring that back to the General Assembly for next session, to have bulk purchasing of prescription drugs for all of our state health care programs.

A very simple concept, just like someone might go out to BJ's and buy the large box of cheese puffs and get a discount on that as opposed to going to a convenience store or a supermarket. It's the same thing that we would do here, through bulk purchasing of prescriptions we could buy it in bulk as a state and lower the cost for the taxpayers of the state of Connecticut.

Mr. President, the Clerk is possession of an amendment, LCO 8431. I ask that it be called and I be

granted leave to summarize it.

THE CHAIR:

Will the Clerk please call LCO 8431, to be designated Senate A -- excuse me, to be designated Senate B.

THE CLERK:

LCO 8431, which has been designated Senate Amendment Schedule B, it is offered by Senator Harris of the 5th District.

THE CHAIR:

Senator Harris has requested leave to summarize.

Is there objection?

Seeing none, please proceed, Senator Harris.

SENATOR HARRIS:

Thank you, Mr. President. I move adoption.

THE CHAIR:

The question before the Chamber is adoption of Senate B.

SENATOR HARRIS:

Thank you, Mr. President. The first few parts of this amendment are really clean-up portions to the underlying file. But the next sections are important, Section 501, Section 502, and Section 503. Mr. President, we've actually had some discussions today

that actually we're in the process of drafting an amendment that would delete Section 501 and Section 503, and while we will -- and I will ask the circle to adopt this amendment tonight that have those sections in it, it is our intention, through the public health tech bill or another bill, to eliminate those particular sections.

But Section 502 will remain. And 502, again, is an important health care reform bill, it's important because it's about customer protection, the health and safety of patients, about payment, and about cost. And what this section would do is say that when certain events happen, they're sometimes called "never events." In their extreme case we've all read about them, where there is a sponge, for instance, that's mistakenly left inside someone during an operation or a whole other series of events; there's actually 12 that are described. And we're using the descriptions of the federal government in the Medicare laws, so these are already being used for our Medicare program. As a matter of fact, we adopted these "never events" recently in a deficit mitigation package when we cut our current year budget to apply to our Medicaid program.

And what it would say is for private payers, so if you are paying yourself or if your insurance company is paying, if one of these nonpayment events occurs, then the hospital will not be paid.

Another remaining section, Mr. President, Section 504, is also very important. And I want to commend Senator Debicella as the Ranking Member on Public Health for working on this and other issues.

And what this is getting at is trying to prevent a practice known as "self-referral," which we know is costing the citizens of Connecticut potentially and taxpayers money. And that is when doctors refer out for certain tests and then might charge an additional fee on top of their regular fee for the services they are providing.

Thankfully in Connecticut, Mr. President, we have yet to see abuses of this particular practice, but it is starting to happen around the country due to a hole that people have found in a federal law. And what we're doing is sending a signal today that this will not be tolerated in Connecticut, Mr. President. I urge adoption of the amendment.

THE CHAIR:

The question is adoption of Senate B.

Senator Debicella.

SENATOR DEBICELLA:

Thank you, Mr. President. And Mr. President, I, too rise to encourage support of Senate Amendment A with the provisos that we will eliminate Sections 501 and 503 at a later date through the tech bill.

And through you Mr. President just for legislative intent --

THE CHAIR:

Senator Debicella, you understand that Senate B is before us?

SENATOR DEBICELLA:

I'm sorry. My apologies, Mr. President, Senate B. I stand in support of Senate B, with the proviso that 501 and 503 will be taken out in the tech bill.

And Mr. President, through you, to Senator Harris, just a question of intent. Section 502, as it reads right now, will reduce costs by taking away payment for "never events." And Section 503 that we are later going to take out, actually parses that to say that we would only not reimburse that "never event," not the entire procedure that that "never event" might be involved with.

Once Section 503 is stripped out later on in the

tech bill, and 502, as it stands, would simply say that DSS would not be required to pay for that procedure, period. It wouldn't parse out different pieces of the procedure to pay or not pay. Through you, Mr. President, is that correct?

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President, Section 503, which we actually will be taking out at a later date, was an attempt to clarify that DSS should be, when it comes to our Medicaid programs, following Medicare rules. And under Medicare rules, it's my understanding that you don't pay for the nonpayment or the "never event," but other procedures that were successfully done in the hospital would be paid for. So that's -- it was clarifying language, but apparently that is being dealt with by the Department of Social Services in conjunction with CMS so that we don't need that language.

THE CHAIR:

Senator Debicella.

SENATOR DEBICELLA:

Fantastic. Mr. President, then -- I take it then

once that language is out, Section 502 would have it so that DSS would simply -- it would be more of a light switch, either they would pay or they would not pay. They wouldn't have to parse out all of the different components of a procedure to determine what needs to be paid and what doesn't need to be paid, assuming 503 is eventually stripped out. Through you, Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President, DSS would be required to, as they are currently under Medicare law, because we're applying that Medicare standard to our Medicaid programs, be required to pay for appropriate procedures and not for any of the nonpayment or "never events." And I guess an example might be you go into the hospital and you have a successful operation, but after that operation you have an infection that you contract. Under the Medicare rules, the hospital would be actually paid for the successful procedure but would not be paid for the additional costs that resulted directly from the infection and that's really what we intended when we passed that language in our

deficit mitigation package. And so we don't need to have Section 503 there, because again, the Department of Social Services in consultation with DSS, is working on doing this the appropriate way without that language.

THE CHAIR:

Senator Debicella.

SENATOR DEBICELLA:

Thank you, Mr. President, and thank Senator Harris for those answers. I have questions on the underlying bill, but I'll wait for us to pass the amendment. I encourage the circle to pass the amendment. Thank you.

THE CHAIR:

Thank you, sir.

Will you remark further? Will you remark further on Senate B?

If not, the Chair will try your minds on Senate B. All those in favor of Senate B please indicate by saying, aye.

VOICES:

Aye.

THE CHAIR:

All those opposed, say nay.

The ayes have it, Senate B is adopted.

Senator Debicella.

SENATOR DEBICELLA:

Thank you, Mr. President. And now on the underlying bill, a question through you, to Senator Harris.

THE CHAIR:

Please frame your question.

SENATOR DEBICELLA:

Thank you, Mr. President. Again, in looking at legislative intent on the bulk purchasing of prescription drugs, the language seems to indicate that we are not only coming up with a feasibility study, but an implementation plan as well and that seems to presuppose that this a good idea that we should do. My question, through you, is just to make sure that this is something that the Legislature, through statute, would still have to implement ourselves. This bill in no way obligates the state to start the bulk purchasing of prescription drugs, it is subject to legislative review through the statutory process. Through you, Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Thank you, Mr. President. That is correct, through you.

THE CHAIR:

Senator Debicella.

SENATOR DEBICELLA:

Thank you, Mr. President. I thank Senator Harris for that answer. Mr. President, I rise in support of this bill today, not without a little bit of trepidation around it. Senator Harris used the analogy before of, you know, buying a bigger box of cheesy poofs, which is probably what got us into this health problem in the first place. But the question is when you apply that to the prescription drugs, you actually don't have the same impact. And that is my worry with this, is -- because with any drug that is not a generic drug, there is only one provider of it and having that monopoly power makes bulk purchasing power less than if you're buying consumer goods where you have two or three choices of it.

So the bulk purchasing here may or may not achieve cost savings. So I'm comfortable with the bill today in that it's going to be a study. I hesitate a little bit in terms of the presupposition

that we should implement it, but I look forward to seeing the results of this, especially the feasibility of it, to see if this is an area where the state can achieve savings. So I thank you, Mr. President. And thank Senator Harris for bringing this forward.

THE CHAIR:

Thank you.

Senator Prague.

SENATOR PRAGUE:

Thank you, Mr. President. Mr. President, I can remember year after year after year in the Appropriations Committee, I used to bring up this issue of purchasing the prescription drugs that our state agencies use in a bulk program and it was always Lori Aronson, who was Vice President of UConn for Financial Affairs, who said that the UConn Health Center had a program where they purchased prescription drugs and the Department of Corrections were getting their prescriptions through this, whatever program it was at the UConn Health Center, for purchasing drugs at a discount rate.

So I want to ask Senator Harris a question, please, through you, Mr. President.

THE CHAIR:

Please proceed, ma'am.

SENATOR PRAGUE:

Senator Harris, are you aware if that purchasing program at the UConn Health Center is still functioning or do you know anything about it?

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President. I do not know whether that is still functioning. I do know that other states are doing bulk purchasing and that there is now a multi-state purchasing pool, but I'm not certain about how UConn fits into that.

THE CHAIR:

Senator Prague.

SENATOR PRAGUE:

And I just have one more question, Mr. President. Senator Harris, are you planning to buy your drugs at the 340B prices? Or you know, like the federally-qualified health centers get their drugs at that very low federal rate? Or are you looking to other states -- to join with other states? I'm not clear how you're doing the bulk purchasing and I think your idea is excellent. I think it's long overdue,

but I'm just wondering how our system is going to work.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Thank you, Mr. President. Through you I thank the Senator for giving me a new job of the drug purchaser of the state.

SENATOR PRAGUE:

You're welcome.

SENATOR HARRIS:

But to the extent that I do have any say over this, what this bill does is it just says that there shall be a plan that's developed on how to purchase the prescription drugs. And it could be through the methods that you talked about, depending on the feasibility of that and the cost of that, and also it specifically references the feasibility of the state joining the existing multi-state Medicaid pharmaceutical purchasing pool. So that's another way, again, to increase the size of that box of cheesy poofs, which I can assure, Senator Debicella, will have calorie marks on them too. And to be able, again,, to save the state money, save taxpayers money,

and make sure that we have the prescriptions in the state that are needed to keep our citizens healthy.

THE CHAIR:

Senator Prague.

SENATOR PRAGUE:

Thank you, Mr. President. And through you, thank you, Senator Harris.

THE CHAIR:

Senator McKinney.

SENATOR MCKINNEY:

Thank you, Mr. President. Mr. President, I believe the Clerk is in possession of an amendment, LCO Number 8502. I ask that he call the amendment, please.

THE CHAIR:

Will the Clerk please call LCO 8502.

THE CLERK:

Mr. President, the Clerk is in possession of LCO Number 8502, which shall be designated Senate Amendment C, introduced by Senator McKinney.

THE CHAIR:

Senator McKinney.

SENATOR MCKINNEY:

Thank you, Mr. President. Mr. President, I ove

adoption of the amendment.

THE CHAIR:

The question before the Chamber is adoption of Senate C -- I'm sorry, adoption of Senate C.

Senator McKinney.

SENATOR MCKINNEY:

Thank you, Mr. President. Ladies and gentlemen of the circle, Senator Harris, in bringing out the bill and the amendments, correctly noted that we are now as amended doing three things that are important to our health care system, three things to hopefully reduce costs of health care. What this amendment, in my opinion, would do is add a fourth to that list.

What this would do, ladies and gentlemen, is add severe combined immunodeficiency or known as "SCID" to the list of diseases that are screened and tested for newborns.

Mr. President, currently there are two states that test newborns for SCID, Wisconsin and Massachusetts. And perhaps many of my colleagues are unaware of what primary immunodeficiency disease do, but it -- they are children who get primary immunodeficiency disease are subject to numerous infections, as their immune systems cannot fight them.

They typically, young kids, get infection after infection, and due to their weaknesses, are subjected to illness such as pneumonia and other infectious diseases.

Going undetected and untreated, Mr. President, could lead to deaths of young kids. Mr. President, one of the things that we know is that the cost to test a newborn is extremely minimal, in Wisconsin it was about $5.50 per baby. What we also know is that, if there is early diagnosis, through testing as soon as practical after birth, that diagnosis within the first eight weeks contain significant costs that would be incurred if we were not to do -- not to do screening and not to get this early detection.

We know that the costs of caring for a child who gets SCID, when it is undetected, could be as much as a 1 million to 2 million dollars per child. There are several things such as HIV and others that we test for, Mr. President, this is another important disease to add to our newborn screening list. There are, ladies and gentlemen, remarkable things happening in research right now with primary immunodeficiency diseases, which are yielding enormous results about the knowledge of our immune system. And it is hoped

that one day knowledge learned about our immune system may lead to help us understand and hopefully cure diseases such as Lupus, MS, and HIV.

Mr. President, I think this is an important step that we can be taking. We would be the third state in the country to adopt newborn screening for SCID, following a pilot program in Wisconsin and Massachusetts. And I think it's also important to note, Mr. President, that right here in our own state of Connecticut, we are thankful and lucky to have the Jeffrey Modell Foundation, which has been spearheading efforts across the country to help young babies be tested for SCID.

Mr. President, with that, I thank you for allowing me to explain the amendment and urge adoption.

THE CHAIR:

Thank you, Senator.

Senator Boucher.

SENATOR BOUCHER:

Thank you, Mr. President. Mr. President, I rise to support the amendment. I actually sat with this family and Department of Public Health's representatives concerning this screening process.

And I think there was widespread agreement that this is a good direction to go in, and I'm hoping that my colleagues will support the amendment as well. Thank you, Mr. President.

THE CHAIR:

Thank you, Senator.

Senator Harris.

SENATOR HARRIS:

Thank you, Mr. President. Mr. President, I rise in opposition to this amendment. I actually do, in content, deem it to be a friendly amendment, because I think the Minority Leader has actually made a very good case for doing this type of testing and potentially could save the state dollars down the road.

The problem though is that the fiscal note on this shows that it would cost the state now about $900,000, so nearly $1 million. Perhaps money well spent, but given the fiscal crisis we're facing and attempting to negotiate a budget right now, I think that it would be premature, actually, to have this amendment.

But what I'd like to do is offer my commitment to Senator McKinney, I've already actually had this put

on the pile of items that we're going to be considering in our tech bill. Perhaps it would be something we can do in an implementor bill, and I think that would be a better appropriate place for this amendment. So that's why, while I think it has merit, I will be opposing it. And I ask that a roll call be had.

THE CHAIR:

Request has been made for a roll call vote, when the vote is taken it will be taken by roll.

Senator McKinney.

SENATOR MCKINNEY:

Thank you, Mr. President. And I will be very brief, first, I don't know if I've ever thanked a member of the circle for objecting to my amendment, but I do thank Senator Harris for his sincere remarks and I look forward to working with him, should this amendment not pass.

Let me just briefly address the fiscal note. Obviously, we're doing newborn screening and there is a cost to that test. The cost of treating a child with SCID, when that child is not tested and it's undetected, and since we don't test in Connecticut, that would be the case, is 1 to 2 million dollars per

child. If you assume, as the fiscal note does, that there will be one child in the state of Connecticut who is detected, we will save money. Because the cost of testing every child born will be netted in a positive, because of the early detection.

And even the fiscal note, which goes through an analysis based on the pilot program in Wisconsin, I think that's important to know -- and this is one of those fiscal notes where I think we need to compliment the Office of Fiscal Analysis, they've gone through analysis of how you do screening, how there would a cost of screening, but they've also weighted the costs of taking care of a newborn child with SCID and the savings that would be initiated would we have early detection.

And even assuming the cost of treatment, which is many ways could be a bone marrow transplant, would cost up to $170,000 per child per treatment. Even if you do that, the fiscal note says that state Medicaid costs may be reduced. If there's one child detected early through newborn screening with SCID, our state Medicaid costs will actually save money, not cost money.

So Senator Harris is correct, there is a cost to

doing the screening just like all of the other screening bills that we've dealt with, but because of the preventative costs, because of the early detection, our own Office of Fiscal Analysis, in examining the success of this in Wisconsin, has determined that state Medicaid costs maybe reduced, and indeed, if there is one detection it would be reduced. Through you, Mr. President, I appreciate that, thank you.

THE CHAIR:

Thank you, Senator.

Would you remark further? Will you remark further?

If not, I ask that the Clerk please announce that a roll call vote is in progress in the Senate.

The item before the Chamber is the adoption of Senate Amendment Schedule C. The machine is open.

THE CLERK:

The Senate is now voting by roll call, will all Senators please return to the chamber. A roll call has been ordered in the Senate, will all Senators please return to the chamber.

THE CHAIR:

Members, please check the board to see that your

vote is properly recorded.

If all members have voted, the machine will be closed.

Would the Clerk please take a tally.

THE CLERK:

Motion is on adoption of Senate Amendment Schedule C.

Total Number Voting	36
Those Voting Yea	12
Those Voting Nay	24
Those Absent/Not Voting	0

THE CHAIR:

Senate C is rejected.

Would you remark further on the bill as amended? Will you remark further on the bill as amended?

If not --

Senator Kane.

SENATOR KANE:

Thank you, Mr. President. Just a quick comment. We did see this bill in the Human Services Committee and I did vote against it, because it was a plan, unlike a study, which I believe it could have been. I do believe that you did have -- were able to make some changes to it and I appreciate that, Senator Harris,

so I will vote in favor of it, but I did have that concern early on and I'm glad to see there were fixes in place. Thank you Mr. President.

THE CHAIR:

Thank you, Senator.

Will you remark further on the bill as amended? Will you remark further on the bill as amended?

If not, Mr. Clerk, please announce that a roll call vote is in progress in the House -- in the Senate, they don't vote that often in the House. Roll call vote is in progress in the Senate, machine is open.

THE CLERK:

Immediate roll call has been ordered in the Senate, will all Senators please return to the chamber. Immediate roll call has been ordered in the Senate, will all Senators please return to the chamber.

THE CHAIR:

Members, please check the board.

If all members have voted, the machine will be closed.

And the Clerk will please take a tally.

THE CLERK:

Motion is on passage of Senate Bill 1048 as amended.

Total Number Voting	36
Those Voting Yea	36
Those Voting Nay	0
Those Absent/Not Voting	0

THE CHAIR:

The bill as amended is passed.

Senator Looney.

SENATOR LOONEY:

Yes, thank you, Mr. President. Mr. President, I move for suspension for immediate transmittal of Calendar 378, Senate Bill 1048, to the House of Representatives.

THE CHAIR:

The motion is for suspension.

Is there objection? Is there objection?

Seeing none, so ordered.

SENATOR LOONEY:

Yes, thank you, Mr. President. Mr. President I would yield the floor to any members seeking recognition for announcements or points of personal privilege before adjournment.

THE CHAIR:

S – 594

CONNECTICUT
GENERAL ASSEMBLY
SENATE

PROCEEDINGS
2009

VOL. 52
PART 18
5683 – 5943

concluded action.

THE CHAIR:

The motion is for immediate transmittal. Is there objection? Is there objection? Seeing none, so ordered. Senator Looney.

SENATOR LOONEY:

Thank you, Mr. President. Mr. President, if the Clerk might call as the next item of business Calendar page 33, Calendar 378, Senate Bill 1048.

THE CHAIR:

Mr. Clerk.

THE CLERK:

Calendar page 33, Calendar number 378, substitute for Senate Bill 1048, AN ACT CONCERNING BULK PURCHASING OF PRESCRIPTION DRUGS as Amended by Senate Amendment Schedules A, B and House Amendment Schedule A. Favorable Reported, Committees on Public Health, Judiciary, Human Services, Government Administration and Elections and Insurance.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Thank you, Mr. President. I move acceptance of

the Joint Committees' Favorable Report and passage in concurrence with the House.

THE CHAIR:

The issue before the Senate is acceptance and passage in concurrence with the House.

SENATOR HARRIS:

Thank you, Mr. President. This bill passed unanimously last week. The House, in Amendment A struck sections 501 and 503 in accordance with an agreement that we had with the Administration. I urge passage. I also want to clarify for the record that, of course, the major part of this bill is that the Commissioners of Social Services, Administrative Services and the Comptroller, in consultation with the Commissioner of Public Health shall develop a plan to bulk purchase pharmaceuticals for our public health care plans. And also, consider joining a multi-state purchasing pool to have more market leverage to lower the costs of these prescriptions to the people of Connecticut and the taxpayers of Connecticut.

I just want to say that it is implied in doing this plan that a feasibility analysis would, of course, be a portion of that. And again, I urge

adoption in concurrence with the House.

THE CHAIR:

Thank you, Senator. Senator Debicella.

SENATOR DEBICELLA:

Thank you, Mr. President. Mr. President, just through you for clarification, one question to the proponent of the bill.

THE CHAIR:

Please proceed.

SENATOR DEBICELLA:

Thank you, Mr. President. Through you, just for clarification for the Chamber, House Amendment A which the House amended this and it is now back before us, if my friend, Senator Harris could just describe for the Chamber what House Amendment A did. Through you Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Thank you, Mr. President. Through you, there were two sections in the Amendment that we called section 501 and 503, which the House Amendment does strike. We actually had an agreement to do so that

night but we were unable to get the Amendment drawn in time and that's what that does. Through you, Mr. President.

THE CHAIR:

Senator Debicella.

SENATOR DEBICELLA:

Thank you, Mr. President. And I thank Senator Harris for the answers to those questions.

Mr. President, I stand in support of this bill today, not without some reservations. But before I describe those, I want to thank Senator Harris for shepherding this through the legislative process. It is an idea that is worthwhile looking at and considering. I have my doubts about it, but I think that Senator Harris has done a very good job of making sure that everyone's concerns are addressed as we move forward with looking at the idea of the bulk purchasing of prescription drugs. As usual, he's taken a very even-handed approach to this and I want to thank him for his leadership on this.

Mr. President, the bill before us as Amendment, basically says that we, as the Commissioners of DSS, DAS, the Comptroller in consultation with the

Commissioners of DPH to develop a plan concerning the bulk purchasing of pharmaceuticals. Whether that be combining our plans in state, such as HUSKY Part B, SAGA, the Charter Oak plan and CONPAYS (inaudible) inmates, we're looking at multi-state Medicaid pharmaceutical purchasing. Now, Mr. President, I don't think that anybody would argue against this on ideological grounds. I think if we can figure out a way to save money on the purchasing of drugs for all of our state plans, we should absolutely do it.

The question is, and it always is a question with these, of looking at the cost-benefit analysis of it. And I thank Senator Harris for highlighting the feasibility aspect of this plan because that is something that we're going to need to do in coming up with the plan. You know, Mr. President, the -- we've heard a lot over the course of the last years about bulk purchasing and the idea that there's consumer power when you have bigger entities buying drugs. The issue here, Mr. President, is one of nuance, I believe. Because if you look at things such as generic drugs, where there actually is quite a bit of competition by its very nature that they're generic

and lots of different pharmaceutical companies are allowed to produce it, you actually could get some benefit from that. And you might be able to achieve some economies of scale by having greater buyer power.

However, Mr. President, when it comes to drugs that are still under the protection of a patent, there is only one supplier of it. And inherently, that one supplier, no matter how big you may be or how much of a bulk purchase that you're doing, there is only one supplier of that drug. So because there's only one supplier of that drug, the probability of being able to achieve lower costs just because you're bigger is small.

We, as a society, have decided to grant pharmaceutical companies essentially temporary monopolies when they develop a new drug. And there's a good rationale behind that because it very often costs billions of dollars to research ground-breaking drugs. And in order for the pharmaceutical company to pay for those billions of dollars we grant them, I believe, it's seven years of a patent to allow them to recuperate that cost before we introduce competition and have the drug go generic.

So the bill before us today, I think, has two very different impacts and I think as this group does these feasibility study they're actually going to see that. And Mr. President, the other question when you're looking at anything that's a cost versus benefit analysis, is we've talked a little bit about the potential benefits, that it might be nuanced there. The cost side of this, I think, is something that nobody fully understands yet. And there actually could be a cost savings if we are able to eliminate employees because we are able to actually merge the functions of purchasing these different pools. However, what I don't fully understand is will there be any incremental costs to it? And my hope is that through having this plan laid out, we can more fully understand whether or not there will be additional costs associated with the bulk purchasing of drugs.

And, Mr. President, the interesting aspect of this then becomes the multi-state Medicaid pharmaceutical pool because there's two levels of this as well. And this is why it's, obviously, a very complex issue. We could pool all of our drug funding here in Connecticut but we might also choose to join

some of the surrounding states that are also doing this. And I don't know if it's immediate states like Massachusetts or New York or if they're farther afield. And, Mr. President, my gut on this is that the cost-benefit, if it works for us on a state level, is going to work for us on a multi-state level as well. And so that aspect of this bill actually makes a lot of sense for us to look at.

However, Mr. President, the one thing I worry about with the multi-state aspect of the bill is whenever you do anything on a multi-state level, you inherently give up some control. And the question that I think this Committee should be looking at as they're considering the multi-state nature of this is, whether or not, in order to join with other states, we are going to have change some of our formularies. Do we have to adopt the exact same drugs that are offered in New York, Massachusetts, et cetera. Again, I don't know the answer to that, but my hope is, as this working group gets together and comes up with a plan, they're able to address if there are any limitations that we may get through or we may have to give up through joining a multi-state compact.

So, Mr. President, I think the intention behind this is one we all share. Senator Harris and I have discussed at length the need to contain costs and have a joint commitment to passing legislation that does so. I'm honestly not convinced this will save costs yet, but I am willing to look at it and I believe that the moderately crafted legislation before us today will help us get more facts, get to the bottom of the issue so that we may make a decision as to whether bulk purchasing is something in which to pursue.

So, I thank you, Mr. President and I thank Senator Harris for bringing out this bill.

THE CHAIR:

Thank you, Senator. Senator Caligiuri.

SENATOR CALIGIURI:

Thank you, Mr. President. Mr. President, if I may, I have some questions through you to Senator Harris?

THE CHAIR:

You may proceed to frame your questions.

SENATOR CALIGIURI:

Thank you, Mr. President. Senator Harris, there are a number of -- just some language in the bill, I

was hoping to get some clarification on, just to make sure that I understand exactly what we would do here.

Section one of the bill talks about developing a plan and I won't read every word of subsection 1 there -- of subsection 1(a), but what caught my attention is the words "program and procedures to aggregate or negotiate" the purchase of pharmaceuticals. And my first question, through you, Mr. President, is if the objective here is bulk purchasing, why have we constructed this to be aggregation or negotiation as a matter of statutory construction and why wouldn't we make aggregation a requirement as opposed to something that we could be doings, which is how I'm reading the "or" and the impact of the "or"? Through you Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President, the purpose of the bill is to give the parties involved the utmost flexibility to come to a type of plan that will save the people of Connecticut dollars.

THE CHAIR:

Senator Caligiuri.

SENATOR CALIGIURI:

Thank you, Mr. President. So then would it be fair to say that when people are looking at this bill down the line, notwithstanding how they may read that construction that I referenced, it would be permissible to both aggregate and negotiate, and not be forced as a matter of law to only be able to do one of the two, at least with respect to the plan that's being created. Is that correct? Through you, Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President. If that were the way to save the taxpayers of Connecticut money, then I believe that would be allowed under this bill.

THE CHAIR:

Senator Caligiuri.

SENATOR CALIGIURI:

Thank you, Mr. President. I thank Senator Harris for that. In subsection 2 of that section 1(a). Through you, Mr. President, when I look at section 1,

they have to both implement the plan or develop a plan to implement aggregation or negotiation of the purchase of pharmaceuticals and have the State join an existing Medicaid pharmaceutical purchasing pool. My question, through you, Mr. President, is would it be possible to have a situation where we can negotiate successfully on a bulk basis the purchase of pharmaceuticals as section A1A suggests, but not have to join a multi-state Medicaid pharmaceutical purchasing pool or is there a reason why joining that pool is a specific requirement that we have to look at? Through you, Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President. Again the goal is to bulk purchase in such a way as to lower the cost of prescription drugs to the people and taxpayers of Connecticut, so it might happen through just bulk purchasing in Connecticut. Or perhaps, by joining a multi-state pool, which could expand our leverage by having larger bulk purchases, get better prices, that might be the way to go, too. Again, the purpose is to

give the parties flexibility to lower cost.

THE CHAIR:

Senator Caligiuri.

SENATOR CALIGIURI:

Thank you, Mr. President. And I thank Senator Harris for that response.

So then, and not by way of putting words into Senator Harris' mouth, but just so I can articulate my understanding of what we're really trying to do here. We've got these different options, for lack of a better term, that would be discussed in the plan. And I read this as being constructed the way that it's being constructed because what we're really trying to do is have the plan look at the full range of what are ultimately options that we as a State could utilize in order to more cost effectively purchase pharmaceuticals on a bulk basis. And so when folks are looking at what we were intending here, that should be, you know, a very clear intention of this and not that you have to do X or Y or Z, notwithstanding construction. But we're really mandating that we look at the full range of the issues described in Section 1, with the ultimate goal being

to have a menu options that we could ultimately consider as a General Assembly next year in order to save money in this arena. Would that be correct? Through you, Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President, yes. To review and check the feasibility on the entire range of options, but most importantly to come up with an implementation plan for the General Assembly to act upon.

THE CHAIR:

Senator Caligiuri.

SENATOR CALIGIURI:

Thank you, Mr. President. And there reason I'm dwelling on this, through you, Mr. President, to Senator Harris is not because I want to get hung up on semantics, but more because I want to make sure that others don't down the road and that our intentions are very clear. And I wouldn't want the way that this is constructed to actually serve as a sort of mandate and a prescription for how the plan needs to be put together. In other words what has to be in the plan

S – 595

CONNECTICUT
GENERAL ASSEMBLY
SENATE

PROCEEDINGS
2009

VOL. 52
PART 19
5944 – 6203

as opposed to being very , very clear that we're giving the folks who are putting this plan together a free hand to really come up with the best set of options for Connecticut. And I wanted to be clear, that 's why I'm focusing on this language. Because I think that could be very important ultimately what the plan looks like when all is said and done, Mr. President.

I thank Senator Harris for answering my questions and I would just say by way of supporting the legislation that not only do I not see any harm in doing this, I see very obvious value in considering, as Senator Harris put it, all of the State's options for doing this. I would note that I think the legislation before us is realistic in the sense that it speaks about assessing both the costs and the potential savings. And I think that language makes clear that there is a possibility that we could be wrong and that there could be costs that end up being a net negative to the State. And that's something we need to look at as well. But if, at the end of the day, we have something that we think results in a net savings to the State, that that is something we ought

to pursue because we ought to be doing everything we can to save our taxpayers as much money as possible in an area that is growing increasingly costly for the State. And so or those reasons, I'm very pleased to support the bill and I thank both the Chair and Senator Harris for your indulgence. Thank you.

THE CHAIR:

Thank you, Senator. Senator Roraback.

SENATOR RORABACK:

Thank you, Mr. President. Through you, if I may, a couple of questions to the learned Senator Harris.

THE CHAIR:

You may frame your questions.

SENATOR RORABACK:

Thank you, Mr. President. Just -- I am not on the Public Health Committee and I'm the first to admit that my understanding of the way in which the State purchases pharmaceuticals is incomplete at best. And through you, Mr. President, to Senator Harris -- but I have been around for a few years and seen many bills over the years in which we debate how much we should pay our pharmacists for the work they perform in filling a prescription and how much we should pay the

manufacturers of pharmaceuticals for the product that's in the bottle. And through you, Mr. President, to Senator Harris, I've always understood that the State of Connecticut has a blanket, statutory rate that we pay which is the sum amount off of the average wholesale price, the AWP, and through you, Mr. President, to Senator Harris, does he have an understanding of how we pay drug companies for pills that we provide, for instance, to Medicaid-eligible individuals in the State of Connecticut? Through you, Mr. President to Senator Harris.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President, I don't have the exact formula in my head, but yes there are formulas out there as Senator Roraback discussed, as to how we derive certain prices. And again, this goes to trying to really aggregate and again, purchase in bulk with the idea of figuring out is that is a way to lower costs. And in particular, to go beyond our borders where we're focusing now and to see if some of these multi-state pools, which many other states are

participating in could give us more market leverage and lower that cost.

THE CHAIR:

Senator Roraback.

SENATOR RORABACK:

Thank you, Mr. President. And through you to Senator Harris, under the existing scheme, is it a pretty much take-it-or-leave-it proposition? We say to Pfizer or Merck or whoever it is that makes the drug, we, as the State of Connecticut, are going to pay you the average wholesale price less -- I think it's 12 percent of 14 percent or something like that and that's the way it is. And either you will deal with us on those terms or you won't, through you, Mr. President, to Senator Harris. Is that how it works? If he knows, because I don't have a complete understanding of how it works. Through you, Mr. President to Senator Harris.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Thank you, Mr. President. Mr. President, to my understanding that being able to entertain these other

methods of purchase, we would assume more leverage over the system and over the cost to the people of Connecticut. So that the notion of it being entirely take it or leave it, I don't believe is correct, currently.

THE CHAIR:

Senator Roraback.

SENATOR RORABACK:

Thank you, Mr. President. And that may well be the case because, presumably, if the pharmaceutical companies say, you know what, we're not going to sell you our product at 15 percent below our average wholesale price, then that would leave Connecticut citizens obviously, at risk of not being able to get the pharmaceuticals that they need to maintain their health or improve their health. But my understanding, Mr. President, is that as a generic proposition, that's the way it's done today. And through you, Mr. President, to Senator Harris, what -- does he have an understanding of -- how many of the pharmaceuticals that Connecticut citizens need are -- how many of them is there a monopoly on by the drug maker? Is bulk purchasing intended to induce competition amongst

manufacturers to give us the lowest price? Because if there's only one supplier of a product, it doesn't matter if you're going to buy ten pills or a thousand pills, they can -- if they have a monopoly, I don't know how we control cost? Through you, Mr. President to Senator Harris.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Thank you, Mr. President. I appreciate the Senator's detailed and insightful questions. Through you, it's my understanding that we purchase from multiple companies especially once a drug goes generic, there might be multiple manufacturers of that particular drug at that point.

THE CHAIR:

Senator Roraback.

SENATOR RORABACK:

Thank you, Mr. President. I know I, for one, appreciate that there are certain pharmaceuticals that the generic is not the equivalent. I remember -- I think it was clozapine and Clozaril drugs were used for people with schizophrenia, but even though they

might be represented as being the same, there actually are possible adverse consequences that flow from taking the wrong one. So, through you, Mr. President, to Senator Harris, are there implications in the bulk purchasing process if we find that purchasing in bulk we get a cheaper price with the quote, generic equivalent, does that mean that individuals that might require the brand name would be compelled to use the generic equivalent or is there a process through which they would be given relief? Through you, Mr. President to Senator Harris.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President, I believe that situation would be dealt with the same way it is now, when drugs are switched under various formularies.

THE CHAIR:

Senator Roraback.

SENATOR RORABACK:

Thank you and through you, if the State -- would the State take physical possession of pharmaceuticals if it engages in bulk purchasing or is it something

that would be done -- I suppose we have records of what we're buying today. Through you, Mr. President to Senator Harris, does he know whether DSS could tell you how many thousands of Lipitor prescriptions or fill-in-the-blank prescriptions have been paid for by Medicaid in a given year? Through you, Mr. President to Senator Harris.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President, I would hope so.

THE CHAIR:

Senator Roraback.

SENATOR RORABACK:

Thank you and I would hope so, too (laughter) which is a different answer than "yes" and I understand that you may not be in possession of that information. So assuming that DSS could tell us how many prescriptions for each particular drug were purchased in the last fiscal year, then we have a pretty good idea of the volume that we consume year to year. And through you, Mr. President, is this bulk purchasing proposition intended to leverage that

information such that we will pay less than we're paying now by going to the drug companies and saying because we buy in this large volume, we're going to insist on a lower price. Through you, Mr. President, is there a negotiation that's anticipated?

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President, just to back track, I didn't mean to be flip on the previous answer. It is my understanding that the Department of Social Services, in particular, given that we've carved out a prescription drug program recently, has all of those statistics on the consumption, if you will, of prescription drugs in the State of Connecticut through our public health programs. And so yes, we should have a snapshot of the volume of various prescriptions and we could use that. And I assume that we will use that in this process to determine whether another method of purchasing -- bulk purchasing by one state or bulk purchasing multi-state would lower costs to the taxpayers of Connecticut.

THE CHAIR:

Senator Roraback.

SENATOR RORABACK:

Thank you, Mr. President. Do you know or do we know has anyone posited the hypothetical, as I understand it, Senator Harris, there is an existing multi-state purchasing pool that this bill will obligate Connecticut to consider joining? Through you, Mr. President to Senator Harris, do I have that correct?

(NEW CHAIRMAN IN THE CHAIR)

THE CHAIR:

Excuse me for one second, Senator Roraback.

I'd like to remind the gallery you cannot use cell phones or laptops while you are in the Chambers. If you have to use them, you please have to leave the Chambers.

Excuse me. I'm sorry. I apologize. Senator Harris.

SENATOR HARRIS:

Through you, Mr. President, if I understand Senator Roraback's question correctly, is there one particular multi-state pool that we are obligated to join? If that's the question, no, as a matter of fact,

there are -- to my understanding, multiple multi-state pools and we would see which one, if any, would be best suited for us to join. And I don't have the numbers in front of me. I actually had it when we first debated this bill but there are upwards of 20 plus states, if I'm remembering correctly -- I could be confused at this late time in the session with fatigue -- that actually are doing bulk purchasing as we speak. So this is not something that it's new, it's something that we need to, as Senator Debicella talked about, investigate seriously to try to see every way we can to lower the cost of health care for the people of Connecticut.

THE CHAIR:

Senator Roraback.

SENATOR RORABACK:

Thank you, Mr. President, and I well appreciate the imperative that we proceed on the course that Senator Harris is outlining. I'm just trying to get a better understanding. My understanding was that there might be opportunities for us to join with sister states which already have cooperatives, for lack of a better word, that are engaged in bulk purchasing. And

what I'm trying to understand is have we -- well, first of all, Mr. President, through you to Senator Harris, are there -- have some of our sister states banded together to do bulk purchasing collectively rather than individually?

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President, if the good Senator could repeat his question.

SENATOR RORABACK:

Thank you, Mr. President, and through you to Senator Harris, does Senator Harris have an understanding of whether there are groups of states which are working together to purchase in bulk collectively rather than individually? Through you, Mr. President, is that taking place in the world?.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President, yes, there are 20 states that do bulk purchasing and I believe there are at least three multi-state cooperatives, as you

described, that do bulk purchasing.

THE CHAIR:

Senator Roraback.

SENATOR RORABACK:

Thank you, Mr. President and is one of the options under this bill that we join one of the multi-state cooperatives, that we join them in their purchasing process? Through you, Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President, yes, and I also would envision potentially, we could perhaps, even create a new multi-state cooperative.

THE CHAIR:

Senator Roraback.

SENATOR RORABACK:

Thank you. The range of options is, I suppose, limited only by our imagination, Mr. President. But what I'm trying to understand is has anyone called up the existing pools and say "Hi, we're Connecticut and we buy 10,000 Lipitor prescriptions every year, it's costing us $100,000. What will it cost us if we

joined your pool?" My question is trying to go to the -- and I haven't looked at the fiscal note on the bill and maybe our Office of Fiscal Analysis has done that work. I'm just curious how definitive -- how definitively we can calculate the potential savings from this initiative. Through you, Mr. President, to Senator Harris.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President, I don't know what calls have been recently made. I know that this issue has been discussed before and I assume with the good brains that we have in DSS and our other agencies that this has been at least thought of before, but that's exactly what this bill is trying to get at, to make sure that we have all the information on the table and an implementation plan to move in that direction if the General Assembly so chooses.

THE CHAIR:

Senator Roraback.

SENATOR RORABACK:

Thank you, Mr. President. And I think this is

clearly a wise approach for us to explore and it's not a criticism of Senator Harris, but I'm just surprised we're moving forward without better information about what lies at the other end of this process. We know what we spend today on pharmaceuticals. I would be happier if we could quantify with today's book of business, what we're going to save going forward using bulk purchasing. And I understand that that information has not been developed. And that's probably because the agencies are overworked just trying to keep up with what we do now. But I do think we would be better served as a matter of public policy to go in with our eyes wide open and I do thank Senator Harris for his expertise and his commitment to saving money for the State. And with that, Mr. President, I will sit down and allow others to question, if they wish, the proponent of the bill. Thank you, Mr. President.

THE CHAIR:

Thank you, sir. Senator Kissel.

SENATOR KISSEL:

Thank you, Mr. President. Just some questions, through you to the proponent of the bill and at the

outset, I want to laud him and say what an exciting proposition this is. You know, whenever you talk to constituents, at least when I do, they're very excited about the idea of utilizing our massive bargaining power as a State to try to drive the best bargains with the free marketplace. And Connecticut is particularly sensitive to issues regarding pharmaceuticals because, obviously, with Pfizer and other nationally known companies that we have, it's certainly an industry that drives a lot of revenue into our State and creates an awful lot of jobs.

But, through you, Mr. President, some questions to the proponent. And I'm going to start off with some questions regarding the details of the bill and then get to some more broad brush issues.

But, my first question is, regarding the composition of who has to get together to discuss this. And regarding the Commissioner of the Department of Social Services at the outset. Why would the Commissioner of the Department of Social Services be involved in coming up with this plan? Through you, Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President, DSS is our Medicaid agency and the program's actually described within this bill are under the authority of -- except for the inmates and the Department of Corrections, are under the authority of the Department of Social Services.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you very much. And one of the questions that always is brought to my attention is that you indicated that the Commissioner of the Department of Social Services is in charge of our Medicaid program and I'm just wondering the distinction between Medicaid and Medicare and whether both of those programs use pharmaceuticals. Through you, Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Thank you, Mr. President. Through you, Medicare is a federal program. Medicaid is a state based

program that has a 50-50 federal stake payment match.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you very much. And what would bring an individual to need medical attention through Medicare or Medicaid versus Medicare or Medicare versus Medicaid, rather.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President. It depended upon which program you are qualified for and there are even those that are dually eligible, that are qualified for both.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you very much. So at the outset, -- all right, another question through you to the proponent of the bill. It's my understanding -- and please correct me if I'm wrong, that Medicare has to do with individuals that are substantially at or near the

poverty level or -- no, Medicaid is for those that are at or near the poverty level whereas Medicare really is not based on one's socio-economic status. Is that a correct characterization?

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, that's a good generalization.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you and I believe Senator Harris had indicated that it's a 50-50 match regarding Medicare. Is the Medicare program completely administered by states or is there any federal participation, other than funding? Through you, Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President, I believe Senator Kissel said Medicare so just to clarify, Medicaid is the program that is both a state and federal program with the 50-50 match. We have a -- of course --

Medicaid agency that has been designated as required under federal law. That's the Department of Social Services and there is also CMS on the federal level that also helps with the Medicaid program.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you very much, Mr. President. What does CMS stand for? Through you, Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

It actually stands for the Center for Medicare and Medicaid Services, I believe, but I don't know why there's one "M" when there should be two and I've wondered about that for several years but basically, that's it.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you very much. And so it's the Medicare program that we're most concerned with regarding this particular bill; is that correct, Mr. President?

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, no, we're talking about our Medicaid programs.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you very much. Okay. All right. Medicaid and that's why we have the Commissioner of the Department of Social Services. Why are we including the Department of Administrative Services in this particular statute where they have to come up with this program? Through you, Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Thank you, Mr. President. The Department of Administrative Services has particular expertise in bulk purchasing because of other activities under their authority in the State.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you very much. Between the Commissioner of the Department of Social Services and the Commissioner of the Department of Administrative Services, does the Commissioner of the Department of Social Services have independent authority to make purchases or merely to make recommendations that have to be executed by the Department of Administrative Services?

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President. The Commissioner of Social Services and that Department actually oversees the carve-out of our pharmaceutical program in our State medical programs. So they have independent authority and this is really more DAS and I think an expertise issue on how to structure bulk purchasing programs. And there are certain authorities that we might need to rely on that the Commissioner of DAS does possess.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you very much. And I want to thank Senator Harris for that answer because it's very helpful.

The other individual that needs to be a part of this is the Comptroller and currently, our elected Comptroller is Nancy Wyman. I've stated in the past that she's a lovely lady. I've always enjoyed working with her and I think she does a terrific job for the people of the State of Connecticut. I'm not quite sure though, I know that her name is on the checks that State employees get, but I'm wondering why the Comptroller has been selected to participate in working this out? Through you, Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President, the Comptroller has a very significant financial role in the State of Connecticut, has various audit powers and other financial authority that I think are important and also areas of expertise again, because what we're talking about here is developing a plan. And as Senator Roraback said, with wanting to go forward on this with the best information, that's exactly the

purpose of this bill, to do exactly what he said. To be able to have all of the people with the expertise at the table to develop the best information, analyze feasibility, put down a plan that can then be implemented by the General Assembly.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you very much. I'm a little confused by that. I'm not sure what audit authority the Comptroller has. I know that we have two State Auditors but I'm not sure exactly what the auditing role of the Comptroller is. Through you, Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President. Actually, recently I believe through the Comptroller's office we did an audit of certain services at DSS and that expertise is currently available in the Comptrollers office. So again, we wanted to pull together all of the expertise that could best judge the financial impact of bulk

purchasing for the people of Connecticut to lower costs.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you very much. Under the terms of the statute would the Comptroller herself have to participate in this or could it be her designees? Through you, Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

For purposes of the statute, the Comptroller would be a participant, it doesn't specify a designee. However, in many instances there are other people on the staff that participate in the process that we've outlined here.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you. Moving along with the language of the statute, it says in consultation with the Department of Public Health. I'm wondering why the Department of

Public Health wasn't just made a party to this group that has to come up with this plan and why is it just these three entities and then they have to consult with the Department of Public Health? Through you, Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President, we wanted to spare the Commissioner extra meetings.

(LAUGHTER)

THE CHAIR:

Senator Kissel. And you can only laugh through the Chair.

SENATOR HARRIS:

Through you, Mr. President, may I laugh?

THE CHAIR:

Please proceed.

SENATOR HARRIS:

Through you, Mr. President, we believe that the primary area of expertise and authority are the first three that we described, but of course, because the Commissioner has purview over the public health of the

citizens of Connecticut, that it would be important to have the Commissioner have a role in this process albeit, not necessarily a direct role.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you very much. Proceeding along through the language of the underlying statute, it says the plan must focus on the purchase of pharmaceuticals for HUSKY part B, state administered general assistance, the Charter Oak plan, CONPACE, the Department of Corrections Inmates and it includes people eligible for insurance under the State employee and municipal employee health insurance plans. Through you, Mr. President, are there any other areas where the State provides medical assistance to individuals, either on behalf of the federal government or a standalone state programs? Through you, Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President. I cannot think of any off the top of my head. I believe that this pretty

much lays out our involvement but it does actually, as I read down, help me put a little bit more shape on the Senator's earlier question and that is, of course, the Comptroller is very much involved in our State employee health insurance plans and that's another reason that she would be a key person at the table. Through you, Mr. President.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you very much. Would the (inaudible) plan that was just recently passed out of this Chamber on Saturday have any impact on this charge to come up with a pharmaceutical pricing plan? Through you.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President. It may, depending on where the (inaudible) plan goes, because as we know, one of the pieces of SustiNet would be an additional pool that would be a state operated insurance pool that individuals and businesses could buy into and therefore, perhaps, there would be bulk purchasing in

within that pool, so it could be.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you very much, Mr. President and through you, I believe the language of the statute says "and municipal employees health insurance plans", we call them MEHIP, does that include mega-MEHIP? Through you, Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President, I would hope so, I would never want to exclude Mega-MEHIP.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you. Laughter through you, Mr. President. Okay. HUSKY Part B is delineated in the statute, is there a HUSKY Part A? Through you, Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President, yes, there is.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you very much, Mr. President. How come HUSKY Part A is not delineated in the statute? Through you, Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President, within that program that's actually now where we have a part of our carve-out, so perhaps that's actually why it's not specified within this plan. But the intent here again would be to develop a bulk purchasing plan to lower the costs to the people of Connecticut throughout all of our programs unless prohibited by federal law.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you very much. And through you, Mr. President, it's my understanding that we already, in the State of Connecticut, do bulk pharmaceutical

purchasing for the Department of Corrections? Is that correct? Through you, Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President, I believe there is some bulk purchasing there , but again, this is to create a larger bulk purchase, either within the State or in a multi-state bulk purchasing cooperative to be able to get more market leverage. Through you.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you very much. And was it contemplated and ultimately rejected as to whether to include the Commissioner of the Department of Corrections, since at least to some extent, we do have bulk purchasing that benefits the Department of Corrections? Through you, Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President. It might benefit the

Department, but again, I believe that the main authorities that would be in charge of bulk purchasing and that have all the expertise to determine the feasibility and the implementation of a bulk purchasing plan have been included.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you very much. I very much appreciate that response from Senator Harris. And I want to say right now, here we are, about 25 minutes of five. I appreciate Senator Harris' patience regarding this as well. At the end of the day, a lot of other bills are probably going to get a lot more press, but ultimately a few years out from now, this may be the one that helps save the State more than anything else.

Through you, Mr. President, as a State employee being a State Senator, I have a plan that I select for the health insurance for myself and my family. But when we need to utilize pharmaceuticals, essentially we end up going to CVS or Walgreen's and giving them the prescription that the physician has given to us. How would bulk purchasing have any impact on the

provision of those drugs? Through you, Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President. Again, by setting up a system where we can lower cost, then the cost paid by the State for those prescriptions, which you would then receive through CVS or another company as the conduit would be still a lower price, if and when we have a plan that works and is implemented.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you very much, Mr. President. And I'm a little bit confused regarding this particular aspect of this plan. I can envision when we have inmates and for example, in my neck of the woods, we have six correctional facilities and house in excess of 8,000 inmates. That is, literally, a captive audience as far as recipients of medical care. God willing, none of them are going out to a Walgreen's or a CVS to get prescriptions filled, but I'm not quite clear as to how this would roll out for individuals who obtain

their prescription drugs through the private marketplace. We might be able to come up with a plan for purchasing but has this been rolled out in any way to retailers in any way, shape or form, regarding any State programs? Through you, Mr. President.

THE CHAIR:

Senator Kissel -- Senator Harris -- Senator Everybody -- Senator Harris, go ahead.

SENATOR HARRIS:

Thank you, Mr. President. Through you, I'm not certain I understand the exact question but maybe if we have a little bit of a colloquy on it, we can kind of drill down a little bit here. Again the purpose is to come up with a plan. And ultimately, actually, in my personal opinion, we would maybe benefit by going beyond just our State administered programs and do what has been done in the state of Maine for many years, where all citizens are entitled to lower drug costs by bulk purchasing. They have the Maine RX program. Maybe we have a CTRX program. And it's my understanding that the State negotiates and pays for these drugs through the pharmaceuticals but they still are distributed through pharmacies. So that both

pieces of the equation occur. The details of how that occurs and how it would occur under a larger bulk purchasing agreement, I think, are going to be part of this plan that we've asked the Administration to prepare.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you very much. And I know that when some of the -- I think it's Medicare part B was passed, one of the criticisms was that there was a prohibition on negotiating with pharmaceutical manufacturers, but that another part of the federal government had that latitude. And I believe that was the Department of Veteran's Affairs. And would we look for example to federal agencies to have some input on how we could fashion this as well? Through you, Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President. I would hope that this group would call upon anyone that has the expertise necessary to determine feasibility and to

implement a plan or to give us a plan to implement, I should say.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you very much. And my understanding of the underlying bill says the plan must also have the State join an existing multi-state Medicaid pharmaceutical purchasing pool and I believe I heard Senator Harris in response to one of the questions of Senator Roraback indicating that we might create a new pool. But it seems to me that we can't create a new pool, we have to use an existing pool. Is that correct? Through you, Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President, this is to come up with a plan and as I said before, really it's to look at a wide range of options. I do think even under the reading of this statute with the "and" there, it doesn't require us to join in one particular multi-state pool. By doing our homework under subsection 1,

we may be able to come up with an additional State purchasing pool with other states that could save the taxpayers of Connecticut money.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you very much. And through you, Mr. President, Senator Harris had indicated that the state of Maine has a MaineRX program. Could Senator Harris, if he is aware, let us know if there's any other local multi-state Medicaid pharmaceutical purchasing pools? Through you, Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President. I don't remember their locations but I believe there are at least three around the nation and over 20 states which do bulk purchasing in some way, shape or form.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you very much. And through you, Mr.

President, I know that there was some concern several years ago about going up to Canada and buying drugs in bulk and people had issues regarding how patriotic that is on the other hand some people said, you know, if drugs are super cheap in Canada why can't we just go up there and buy them and bring them to Connecticut. Other folks indicated that that might be against federal law, does this contemplate purchasing drugs with vendors or manufacturers that are outside the United States? Through you, Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President. This I believe would contemplate purchases that are within the limits of federal and state law.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you very much. Thank you very much, Senator Harris. Through you, Mr. President. Just to reiterate, what's the time frame that they have to deliver the report to the legislature? Through you,

Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President, I believe it's December 31st of 2009.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you very much. And so, should this particular piece of legislation go forward, there seems to be a fairly short window when they are going to report back to us. Has this proposal been something that's been ironed out in amicable fashion with the relevant entities that are going to charged with coming up with this plan? Through you, Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President. Yes, there has been discussion and some of the various statements I made on the record were to clarify some issues for the

administration. But one of the purposes of this legislation, I believe, is to give a little bit of a shove, if you will, to the Executive Branch so that we address the very real problem that I believe Senator Roraback accurately raised. And that is to make sure that we compile, not just through the Office of Fiscal Analysis our non-partisan financial analyst here in the legislature, but through the very agencies that would be charged with administering a program. So this is really trying to cooperatively take the next step.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you very much. Regarding the aspect that has to do with current State employee health plans and municipal employee health plans, in those health plans are those administered by private entities or are they administered through the State of Connecticut?

Through you, Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President. I and, I believe, others on the State health plans are contracting with private companies.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you very much. And I'm just wondering if we know when those health plans are set to expire and be renegotiated? Through you, Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President, if Senator Kissel is talking about the actual (inaudible) arrangement, as far as benefit levels to State employees, I believe that agreement is in place until 2017. With respect to individual contracts the State may have with one or more carriers, I'm not certain. I would assume from some of my experiences with the HUSKY program that those contracts are -- come up at varying times over the years.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you very much. And would we have to wait until those underlying contracts expired before we could act to request that any bidders incorporate any bulk purchasing of pharmaceuticals pursuant to a plan? Through you, Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President, all very good questions which really bolster the reason for this bill. This is exactly the type of questioning that we are asking out experts in the agencies to answer for us. Because these will be the factors that will determine the very real issues that Senator Debicella mentioned on not only what we can save, how much it would cost.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you very much. I don't have any further questions through you, Mr. President, for the proponent of the bill, but I want to stand in strong

support of the direction the State is going.

I went to a couple of national conferences over the last couple of years -- and for everybody in the Circle, not paid by any taxpayer dollars whatsoever. It was funded by the Pugh charitable Foundation and part of it was to get folks from around the nation together, in particular, legislators that had an interest in matters regarding the Department of Corrections. And there are many aspects of Corrections that are of interest to people throughout the United States.

For example, there are instances regarding overcrowding in the state of California, the exorbitant cost of corrections in areas where they use private entities. Also there are a lot of states -- and we should feel very proud of the men and women that work in our Department of Corrections -- but if you watch some of the programs, sometimes they're on the History Channel about gangs, it's very scary in a lot of parts of our country.

But another aspect that's probably less glamorous and less glitzy and it doesn't get the media attention that some of the more violent aspects of Corrections

gets, is the notion that it is a vast enterprise and efficiencies have got to be looked at to try to make it work more efficiently. And so, as I had indicated in my questioning to Senator Harris, when you're talking about, for example, the 8,000 plus inmates that we have in North Central Connecticut prisons, that is a captive audience. And one of the things that I've enjoyed discussing with Commissioner Starkowski over the years, is that we have the notion that the Department of Social Services is out there trying to purchase pharmaceuticals and could that notion of bulk purchasing be married to the Department of Corrections? And I'm excited to know that that whole notion has been incorporated into this legislation that Senator Harris has worked so incredibly hard to fashion.

And I have to say that as legislators go, it's been a pleasure since day one working with Senator Harris and my only regret this year, is that we don't serve on the same Committees. But when I went to those national conferences, one of the issues that actually was very much of interest to other legislators from around the country was the direction

that Connecticut is gong as far as both purchasing bulk pharmaceutical and their utilization in our Department of Corrections. And that is no small part because of the other aspect that is very troubling in our Department of Corrections and that is the notion that we have many folks that have health issues, whether it's mental health issues or other kinds of health issues within the Department of Corrections.

Right now, my understanding is that we utilize the University of Connecticut Health Center to provide those health services.

And that actually brings to bear another question through you Mr. President, to Senator Harris. Because it's my understanding that the University of Connecticut and specifically John Dempsey Hospital is where a lot of the inmates go, is it contemplated that this might bring in some of our State health care providers such as John Dempsey Hospital which performs such a valuable role in providing health services to our inmates in the Department of Corrections? Through you, Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President. Yes, that would be one of the range of options if it was feasible and within the plan developed and adopted by the General Assembly.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you very much. And I noticed that the statute itself indicates that one of the things that has to be done is whether it is feasible to subject some or all of the programs listed above to the preferred drug lists adopted by DSS. And I'm just wondering do we have fixed formularies for our social service programs here in the State of Connecticut? Through you, Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President, yes.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you very much. And one of the areas of concern that I have is that it's my understanding through the Department of Social Services we have a pilot program regarding primary care physicians making health decisions and I know that from my years in the Human Services Committee, that the issue of psychotropic drugs and proper physician care for individuals with mental health disabilities and health issues that, for example, generic drugs aren't helpful sometimes. And that in dealing with mental health issues in particular, that the ability to finally prescribe pharmaceutical treatment is an area of great sensitivity for advocates and an area where my understanding is, at the end of day, there's better health outcomes. Will there be a sensitivity to that issue of health care delivery as we proceed along this course? Through you, Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President, if I have any say in it, yes.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you very much. And so as I had indicated, I had gone to these national conferences and these issues came up and again, the reasons why corrections is such an important area to focus on is not only because you have such vast numbers of individuals that are literally a captive audience for the delivery of health care services.

But also because they really form a wide array of individuals with different kinds of health needs and in particular and almost unfortunately, there are many individuals with mental health issues as well. I want folks to know here in the Circle that when we did examine last year, issues of criminal justice reform, when it was put out by some individuals that perhaps we should have some kind of standalone facility for those with mental health issues within the Corrections system, that advocates for those with mental health issues were actually adamantly in opposition. Not the least of which because of the notion of isolation and the notion of singling out, but also, and I think very rightfully so, they indicated that if we addressed the

health care issues with folks with mental health issues, we would be actually able to get to the root of some of the reasons why they ended up incarcerated. For example, if you go off your meds, you may not end up following through with some of the conditions of your probation or parole and then you end up reincarcerated. So these things are all very important.

Ultimately, where we're moving is we're trying to ring out as much cost savings out of our State system as possible and I think that it's very clear to everybody why we have to move in this direction. There are so many cost drivers when it comes to the provision of health services for the State of Connecticut that if we want to try to create the best safety net for the provision of health care, we also have to try to make sure that we have enough dollars to get there. There's a lot of things working in the other direction, unfortunately. Here in the northeast, we have an older population group as opposed to other parts of the nation. That older population group, as the baby boomers, in particular, get older. They're living longer, they're following

their physicians advice. The fastest growing age group are those 80 and older and with those individuals there's added responsibilities for our State as we try to create a State health care safety net.

One of the areas that Senator Harris and I have worked on together over the years is long-term care and paying particular notion to our senior. And I would hope that as we go along this road towards bulk purchasing and with the best of hopes that they can come up with some plans to ring out more cost savings. That areas where we may have to pull back as far as dollar value, and in particular, the CONPAYS program for our seniors, even though we may only able to give so much dollars to that program, if we can, at the same time ring out savings through bulk purchasing with the manufacturers and developers of these drugs, then we will be able to, at the end of the day, provide the same amount of services and drugs, if not more, to our seniors for less dollars. And that is the way we're going to have to go not only as a State but as a nation. At some point, we are going to reach the end of the line where we have rung out every bit

of savings from the system possible and, at that time, we're going to have to come to grips with what are other drivers of health care costs.

But at this point in time, I think the notion, the very basic notion that if you buy things in bulk that you will be able to get a better value for that. That's a part of the equation. But then we're going to have to figure out a distribution network whereas heretofore at least for folks within the State employee plan, CBACK and MEHIP, they're tapped into utilizing the Walgreen's and CVS and other providers of drugs. And so we're going to have to try to figure out a new way of delivering the pharmaceuticals but at the same time, we have to be mindful that we have to get them and get them into our hands so that they can be distributed in the most efficient manner possible.

So I very much appreciate Senator Harris' very thoughtful responses to my questions. I wanted to get that on the record in terms of legislative history. And with that, Mr. President, I stand in strong support of the bill. Thank you, Mr. President.

THE CHAIR:

Thank you, Senator Kissel. Senator Franz.

SENATOR FRANZ:

Thank you, Mr. President. I appreciate that. I stand in support and take my hat off to Senator Harris one more time for all of his work in this area. You've been hard at work and I believe this is your fourth bill in front of us. Am I correct on that? And I think that's terrific. What I'd like to do, through you, Mr. President, is ask a few questions of Senator Harris. Through you, Mr. President.

THE CHAIR:

Senator Harris.

SENATOR FRANZ:

Thank you, Mr. President. Appreciate that. We all know that in the private sector that bulk purchasing is something that's employed and has been for well over a hundred years if not longer. And there's no question that it does provide savings for the entities involved and it's a concept that could easily be extended to anything having to do with goods and services being purchased by a state such as Connecticut. So my question for you, Senator Harris, is what other states are in the multi-state purchasing pool at this time, if any?

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President. As I had stated, I think on a couple of times before, there are three multi-state purchasing pools. I do not have the list of states in front of me, but there are over 20 states that now use bulk purchasing.

THE CHAIR:

Senator Franz.

SENATOR FRANZ:

Thank you very much. Through you, Mr. President. I apologize if I missed that question and answer before. And correct me if I'm asking a question that has already been answered. Through you, Mr. President, the experience so far with the multi-state purchasing pools?

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President. It's my understanding that states both -- when they do bulk purchasing themselves or in multi-state pools have achieved

levels of success. That's exactly the purpose of this bill to go out and have this State of Connecticut determine if it is appropriate for us to be able to lower the costs to the taxpayers of Connecticut by bulk purchasing ourselves or through a multi-state pool.

THE CHAIR:

Senator Franz.

SENATOR FRANZ:

Thank you, Senator. Through you, Mr. President. And do we know the magnitude of those savings and do we expect further improvement?

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President. I don't have the magnitude of them offhand, but with respect to further improvement, one of the things that is the purpose of this bill is to see how much market leverage we can get. One multi-state pool might have a certain amount based on the size and other factors and another might have another level. So I believe that one of the things that we are trying to do for us and for those

states that we might participate with, of course, is to push forward with improvement and use the market, and as Senator Debicella and I described, when this bill was first before this esteemed Circle last week and the example of purchasing Cheesy-Poofs in bulk, that we get the best price by having as much market leverage as possible.

THE CHAIR:

Senator Franz.

SENATOR FRANZ:

Thank you. Through you, Mr. President. Is Cheesy-Poof an official food group?

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President, I'll have to look back at our menu labeling bill.

(LAUGHTER)

THE CHAIR:

Senator Franz.

SENATOR FRANZ:

Thank you, Senator, and through you, Mr. President. Any federal issues that come to mind

combining the various health care and health insurance programs that we have already in the State of Connecticut -- HUSKY, SAGA, Charter Oak, anything like that?

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President, there may be federal issues and that's exactly why that we are, through this bill, asking the Administration to look at the feasibility and develop a plan within the limits of federal and state law.

THE CHAIR:

Senator Franz.

SENATOR FRANZ:

Thank you. Through you, Mr. President, if this goes into effect and I am confident it will, because it's a great idea, does the Commissioner have latitude in choosing the inter-state purchasing pool that he or she would like?

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President, the Commissioner of Social Services, the Comptroller will develop an implementation plan. That will be delivered to the General Assembly by December 31st, 2009. And then we will take a look at it next session and determine the final shape. Within there, there should be potentially some discretion for the Commissioner.

THE CHAIR:

Senator Franz.

SENATOR FRANZ:

Thank you. Through you, Mr. President, if a change were deemed necessary and desirable, there would be the latitude to make that change at some point in the future?

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President, if Senator Franz could repeat that question, please, I apologize.

THE CHAIR:

Senator Franz.

SENATOR FRANZ:

Thank you, Mr. President. The question is if

there was a need or desire to change to a different inter-state purchasing pool, the Commissioner -- the Commissioners could do that at some point in the future? There's latitude in the provisions in the bill here today to do that?

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President, we have this tennis match going on here. Through you, Mr. President, that would depend on what plan was ultimately implemented by this General Assembly after the report by this group.

THE CHAIR:

Your serve, Senator Franz.

SENATOR FRANZ:

At least I'm keeping the ball in play. Thank you, through you, Mr. President. In Connecticut, there is, of course, a large pharmaceutical and bio-pharmaceutical presence. In the public hearings that were held concerning this bill, was there positive feedback from the industry? Through you, Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President, I don't recall any real positive feedback by them. I think, you know, when you're dealing with affecting the market, those that are participating in the market always have potential concerns. We are seeking lower prices, but by the same token, there could be advantages of companies by being able to sell in bulk and sell more. So I don't view this as a game where there has to be winners and losers, perhaps all of us could benefit.

THE CHAIR:

Senator Franz.

SENATOR FRANZ:

Thank you and I agree with that concept. I think we can all be winners as volume picks up over the course of time.

Final question for you, Senator Harris, and I'm not trying to be a wise guy or anything, but in Section 504 of the amended bill is states that radiological facilities or imaging centers performing the technical component of computerized axial

tomography, positron emission tomography or magnetic resonance imaging diagnostic imaging services shall directly bill either the patient or the responsible third-party payer for such services. What procedures would be considered a technical component? In other words, what does that mean, if anything? I clearly don't have a background in medical technology or the medical profession. Through you, Mr. President, does it mean anything, you know?

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President, these are the technical ways of describing tests that you and I have heard of such as MRIs, CAT scans, PET scans, those diagnostic tests that have become crucial parts of our health care system.

THE CHAIR:

Senator Franz.

SENATOR FRANZ:

Thank you, thank you, Mr. President. I appreciate it. That answers all my questions to my satisfaction and, again, congratulations on a great effort here. I

know it's going to be successful. Thank you, Mr. President. Thank you, Senator.

THE CHAIR:

Thank you, sir. Will you remark further on the bill, Senate Bill 1048? Senator McLachlan.

MACH:

Thank you, Mr. President. I rise for point of questions to the proponent of the bill.

THE CHAIR:

Senator Harris.

MACH:

Senator Harris, thank you for your advocacy on behalf of Connecticut tax payers as we try to find new ways to save money. I must admit that I was hesitant to support pooling early in the session. And I see that you've modified this bill quite a lot along the way.

But I guess I'm a little concerned that Senate Amendment B was dropped downstairs in the House and could you just set my mind at ease and clarify for me that you are perfectly clear and you're okay with this change, that this is not going to hamper the stated goals of this legislation? Through you, Mr.

President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President. No, it will not and this is an agreement that we actually reached with the Administration and the Hospital Association to drop these two provisions and that's why the bill is back here.

THE CHAIR:

Senator McLachlan.

MACH:

Thank you. Okay, so that's good news and I -- so you're convinced then that this agreement will in fact, allow you to proceed and it won't slow the process down? Through you, Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

That's not what's slowing the process down. Through you, Mr. President, yes, these actual sections, one of which, I mean, they're related to the underlying bill here, which of course, is the bulk

purchasing, but they don't and will not impact our ability to go out and determine whether we can create a feasible plan to lower the cost of prescription drugs to the people of Connecticut.

THE CHAIR:

Senator McLachlan.

MACH:

Thank you, Mr. President. And through you, Mr. President, looking at some bulk purchasing agreements that exist elsewhere in the United States, I see that there's six or eight of them that seem to be the big ones. Is there one of those particular groups of states that you have sort of modeled as the idea scenario, that is the general accepted best practice, if you will, that would be a likely partner here for Connecticut? Through you, Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President. No, again, the purpose of this bill is for the agencies, the Comptroller, those with expertise to understand the structures that we have here in Connecticut, cost and

otherwise, take a look at what's done in other states, including multi-state pools and to try to determine the best fir for us herein Connecticut.

THE CHAIR:

Senator McLachlan.

SENATOR MCLACHLAN:

Thank you, Mr. President. So, through you, Mr. President, you didn't have specific discussions with any of those other pools in your analysis of constructing this legislation? Through you, Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President. No, as we do here as a policy-making body, we raise issues when we see evidence out there in the communities in our state, create bills to then instruct our Executive branch to go and answer the very questions that my friends around this Circle have been raising today. That's exactly the purpose of this bill, to go out and answer these questions, to drill down in a better way.

THE CHAIR:

Senator McLachlan.

SENATOR MCLACHLAN:

Thank you, Mr. President. So I agree, I think the legislature serves a good purpose in that regard and should empower the Executive branch of government to do sort of that day-to-day, nitty-gritty work that needs to be done to implement.

Another question, if I may, are there any states who have adopted pooling or prescription bulk buying that have since abandoned the idea? Through you, Mr. President.

THE CHAIR:

Senator Harris.

SENATOR HARRIS:

Through you, Mr. President, I don't recall from the testimony if that's the case. I can get back to you, Senator, on that. It's not my -- I don't recall any that came up in testimony that have completely abandoned it. I do know some that have adjusted programs, but I don't know of any that have abandoned it.

THE CHAIR:

Senator McLachlan.

SENATOR MCLACHLAN:

Thank you, Mr. President. And thank you, Senator, for your response to my questions and thank you for the work that you've put into this bill. I will support it now in hopes that we can in fact, find some new opportunities for savings here in the State of Connecticut. And I do have some concerns so when this comes back to us for further consideration, I will be looking carefully. Some of the concerns I have is easy access to pharmaceuticals and prompt delivery of the pharmaceuticals and also, not limiting free trade in the process. So I'll be looking for a successful report back and hope that this can actually work for the State of Connecticut. Thank you, Mr. President.

THE CHAIR:

Thank you, sir. Will you remark further on Senate Bill 1048? I guess it's you, Senator Debicella.

SENATOR DEBICELLA:

Thank you, Mr. President. By process of elimination. Mr. President, I'd ask the Clerk to call an amendment, LCO 7566.

THE CHAIR:

Mr. Clerk.

(gap in tape)

THE CHAIR:

The Senate will come back to order. Mr. Clerk.

THE CLERK:

LCO 7566, which will be designated Senate Amendment Schedule C. it's offered by Senator Debicella of the 21st District.

THE CHAIR:

Senator Debicella.

SENATOR DEBICELLA:

Thank you, Mr. President. I move the Amendment and ask permission to summarize.

THE CHAIR:

There is a motion on the floor for summarization. Without objections, so ordered. There is also a motion on the floor to move the item, seeing no objection, please proceed, sir.

SENATOR DEBICELLA:

Thank you, Mr. President. Mr. President, very much like Senator Harris and the underlying bill have been huge supporters of reducing costs, bulk purchasing is one way to do that.

One way that we talked about relatively extensively on Saturday was through preventative medicine. And Mr. President, the Amendment before us today seeks to achieve that goal in a way that I think could be more impactful than the underlying bill. And that is, Mr. President, by getting more people to get screened for the most preventable diseases. And, Mr. President, if we are able to catch diseases early, we will be able to save, literally, billions of dollars as a State.

Let me tell you how this works. First, there are five diseases that constitute 80 percent of our health care costs today. They're the ones that have afflicted every family in Connecticut. Cancer, heart disease, stroke, diabetes and obesity. And these five causes take up 80 percent of our health care dollars. And, Mr. President, if you look at that list, four out of the five of them are either treatable by detecting them early or could be fixed through lifestyle choices. The ones that this bill focuses on are the ones that are treatable. And the ones where if you catch them early, you will be able to save costs and save lives. Mr. President, the benefit of

preventative medicine is very well known. It is something that both sides of the aisle agree on, it is something that medical professionals consistently ask for.

And there are two reasons for that. One is the cost savings that I mentioned. But the other is, this is the very point of medicine, the very point of medicine isn't just treatment. It isn't just to go when you're sick and get treated. It is to stop you from getting sick in the first place.

So, Mr. President, this Amendment is the healthy living tax credit that we had a public hearing on this year and that I've been promoting for the last three years. And what it would do is it would say every family in Connecticut can deduct all of your out-of-pocket expenses from your State income tax if you get all of the prescribed preventative treatments that the AMA says that you should get. Now what does that mean?

Well, first let me talk about what you have to do to get the tax credit and then I'll talk about what the tax credit would actually impact, financially.

So, first, you would have to get your annual

physical. So, not a huge burden, something everybody should do. It is something where in the course of the annual physical, that is where most major problems are initially found.

Second, you would have to get the age and gender specific tests that the AMA recommends that you get. So that means when you're 40 years old, you have to get a prostate exam, if you're a man. If you're a woman at the right age, you have to get a mammogram. Now these are going to vary, obviously, by gender, it's different for a man and woman. It's going to vary by age. And that's it. If you do those two things, you're going to be able to deduct all of your out-of-pocket expenses from your state income tax.

So this is not a huge burden. This is not something that we are saying you h vet to go to the doctor sixteen times to get this. This could be covered in one visit. One visit to your doctor and you'd be able to deduct hundreds of dollars, maybe thousands in the case of larger families from your State income tax.

Now the actual logistics of this is something that we've talked pretty extensively about. So we have

talked about the fact that the form for this would be a one-page form. So when you go to the doctor we have a standard form, the doctor fills out and signs it, gives it to you, you slip it right in with your Connecticut State income tax. And there will be an additional line on the Connecticut 1040 where you deduct the amount that's on that form. Very easy. Very minimal cost to actually implement.

And then the other concern that people had was the privacy of results. One of the things that people asked me when I first introduced this is well, geez, are you going to send the results of my physical to the government? Are you going to send the results of my prostate exam to DRS? And the answer is no, of course not. All this form would have on it is a check box. Check, you got your annual physical. Check, you got your prostate exam if you're a 40-year old man. Check, et cetera, et cetera. So, Mr. President, that is how the healthy living tax credit would actually work.

Now let me talk a little bit about the fiscal impact of this because that, obviously, is always the concern of this. The bill that we have before us

tonight starts in 2011, so the bill before us has no fiscal impact in the upcoming biennial. Now the fiscal note we have on this -- you'll see I actually had filed two Amendments. One was to start immediately and one was to start in 2011. They both have the same fiscal note on it, I believe that's just an oversight on OFA's part. There is a cost to this, Mr. President, but it wouldn't start until FY12. And the cost of that is up to 38 million dollars a year, if 100 percent of families took advantage of this. So if every family in the State of Connecticut got all the preventative medicine that they needed, we would have a cost of 38 million dollars which is not insignificant.

However, Mr. President, the benefit of doing this is immense. And the potential payback, not just to our state government, but to individuals out in the state is a magnitude of that 38 million. Very specifically, the Milken Foundation has estimated that on these preventable diseases, in the latest year they have data for, which I believe is 2003, the State of Connecticut spent 16.9 billion dollars treating health care. 16.9 billion - now that's not State government,

that's everything, private insurance, the State, out-of-pocket expenses. And if, Mr. President, we were able to identify 25 percent of those diseases early, we could save up to 90 percent of the treatment costs. Think about that for a second. If we were able to catch just a quarter of these early; heart disease, cancer, we would be able to actually treat them for a lot less. You know, we've all had family members who go through horrible things like cancer and when you look at that, you obviously wish that you would catch that early so you could treat that family member. And there's a huge amount of emotion that's wrapped up in that.

But as we look at the problems of our health care system, there's also a huge amount of dollars associated with that. By catching the diseases early, rather than spending a million dollars on a cancer patient, we spend $100,000 and they live longer. So all in all, Mr. President, using the Milken Foundation's numbers, if we caught 25 percent of cancers and heart disease and diabetes earlier, we would save four billion dollars a year. Four billion dollars. Now, Mr. President, it doesn't take an MBA

from Harvard to know that a 38 million dollar investment and getting back a four billion dollar payout is a tremendous, tremendous return.

Now that four billion dollars is for the entire State. If you look at our State budget, our State budget would get back about a billion dollars. A billion dollars in savings. I got to tell you, in budget negotiations that we're having, if we could find a billion dollars in savings, we would snatch it like that.

Now of course, the issue with this is timing. The cost of this will borne in 2012 when people start making the deductions. The benefits of it won't be for ten years out. Because, obviously, the fact that you're catching these diseases early means you avoid the cost of treating them in the out years. So, Mr. President, I believe that this is a great idea for the State of Connecticut in and of itself.

But it also helps with the two fundamental problems of health care. And Senator Harris and I had discussed this on Saturday in discussing the SustiNet bill -- is two of our core problems are health care inflation, which is hurting the middle class and the

six to eight percent of us who don't have insurance. This bill helps both. First, this bill helps the middle class by lowering that cost and the cost of health care in Connecticut by up to four billion dollars. Where's that money going to go? Well, opponents will say that's going to go into some health care company's pocket. Well, the truth of the matter is we do have a competitive industry out there. And so much of that is going to flow to middle class families in the forms of lower premiums. It's going to help small businesses out there who are being crushed by escalating health care costs. So this is going to help our middle class health care crisis. And it's going to help our economy.

But. Mr. President, at the same time, it's going to help the uninsured. And one of the criticism I've heard about this bill is if you're uninsured, how do you go get preventive medicine? If you're uninsured how do you go get your annual physical? And that's a very valid critique because this bill doesn't address that.

But what it does do, through lowering the cost of health care because the other 94 percent of us who

have health care are going to be healthier and it costs less money. It will cost less to treat the uninsured. And by lowering costs for the uninsured, it is going to enable more of them to be able to sign up for a basic plan, like Governor Rell's Charter Oak plan or a normal private industry plan.

Now will this cure the issue of the uninsured? No. But could it reduce it by one or two percent? I believe it could.

So, Mr. President, tonight, in bringing this out, my hope is that it will receive bi-partisan support to move forward. It does not have a massive fiscal impact for the biennium but I do believe that in the long run it will serve the people of the State of Connecticut, not only to be healthier but to deal head on with the problem of escalating health care costs. And I would ask for a recorded vote when the vote is taken.

THE CHAIR:

A roll call vote will be ordered, sir. Also just to note when the Amendment was called, it was called, just to bring to the attention of the Chamber, as Amendment C. After careful review of all the

information and reading newspapers here at the dais, it is agreed that it is Amendment D. Senator Harris.

SENATOR HARRIS:

Thank you, Mr. President. Mr. President, I rise in opposition to this Amendment. I want to thank Senator Debicella for the discussion. And he is correct that we both agree that lowering the cost of health care is the most important thing that we really can do at this point to get to real health care reform. And I think this Amendment is well-intended substantively to do that. The problem that I have with it is a couple of things.

First of all, it is really a tax issue, a finance issue and we are dealing with it in the context of a public health bill. And something like this, while the fiscal impact is not immediate -- and I respect the fact that you'd like to put it out to avoid the current budget issues, that it's something that really needs to be taken into account, in the context of larger health care reform, in the context of budget negotiations.

And a couple things that I fear. One, I know because of work I've done on the earned income tax

credit, the Administration has had objections to making our code more complex and I fear that this would pull down this bill and, also, of course, it's been mentioned here before, the late timing of the Amendment, the unfortunate late timing would cause this to be sent back to the House and then we would lose what this discussion in this Circle has shown to be a very helpful path, that of bulk purchasing and some of the other health care reforms that we have in the underlying bill. So I would love to talk about this in the future. But today, I'm going to oppose the Amendment.

THE CHAIR:

Thank you, sir. Will you remark further on Senate Amendment D? Senator Kane.

SENATOR KANE:

Thank you, Mr. President, through you, a few questions to the proponent of the Amendment?

THE CHAIR:

Senator Debicella.

SENATOR KANE:

Through you, Mr. President, I do remember this, this is actually a very good proposal but I have a few

questions for you. In talking about healthy living, I don't know if you mentioned this, I hope you did. But, we talk about preventing these diseases head on. Are there incentives for people to see their doctor more often, let's say physicals, visits, that kind of thing, regular visits, through you, Mr. President.

THE CHAIR:

Senator Debicella.

SENATOR DEBICELLA:

Thank you, Mr. President, through you to Senator Kane. That's exactly right. The hope would be that people would be eligible for this tax credit after one, maybe two visits to their doctor. Most of the preventative medicine prescribed by the AMA can be dealt with both in the context of your annual physical plus one or two extra tests depending on your age and gender. Through you, Mr. President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Mr. President. How do individuals meet the requirements of this tax credit? Is it based on age, gender, other specifics that they need to meet?

Are there criteria? Through you, Mr. President.

THE CHAIR:

Senator Debicella.

SENATOR DEBICELLA:

Mr. President, the bill actually leaves it up to the Department of Public Health to specify any other specifics that may be there. It is the legislative intent of this bill that it be very easy for people to meet it as long as they're getting the proper screening. So the annual physical and the age and gender specific tests are absolutely part of that. Not being a doctor, I don't know if the AMA would suggest any other kinds of tests that are not age or gender specific. If that were to be true, I would expect DPH to include that in the regulations that would surround the actual implementation of the tax credit. Through you, Mr. President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Mr. President, through you, would there be a form that the person can fill out? Would they get it from the Department of Public Health?

Would they get it from their doctor's office? How would they know about this and how would they apply for it or participate in it? Through you, Mr. President.

THE CHAIR:

Senator Debicella.

SENATOR DEBICELLA:

Thank you, Mr. President. I would imagine this coming from the doctors. It's that we would distribute to every doctor in Connecticut the one-page form that would be filled out by the doctor at that point of that meeting to say you've gotten your physical, you've gotten tests X,Y and Z. Here's your form. You might have different forms depending on if you're a man or woman, depending on if you're 20 years old or 50 years old. But you would then simply take that form singed by your doctor, include it in your income tax packet when you're sending it in and put a line and fill out a line on CT1040 that would allow you to deduct those expenses.

Now, Mr. President, Senator Harris also had brought up the fact that this has -- is a finance issue. And he's correct about that. And there has

been reluctance to actually add a line and additional lines to the Connecticut State income tax form. We have a pretty tight and basic income tax form. However, this is an issue of such great import, that to me, at least, the added complexity of an additional line on the income tax would be worth the potential savings and the potential saved lives from increased use of preventative medicine. Through you, Mr. President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Mr. President. I thought I did see something in reading through here about a person's W2 form. Is that how it would flow into the tax return? Through you, Mr. President.

THE CHAIR:

Senator Debicella.

SENATOR DEBICELLA:

Mr. President, it would actually be included with your W2 form when you send in your taxes. By actually getting the form -- there's no number, no new number that would appear on your W2 form, it's actually a

separate form from W2, but you would send it right along with it when you send in your Connecticut State taxes.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Mr. President. And through you, I can understand that because if people are participating with their doctors, going to physicals, taking a proactive approach to their health, then quite possibly, we can prevent a lot of these diseases that come up. In your work on this, do you have any numbers, any statistics, just, you know, some background on how much we could save in prevention versus care, if you will, for lack of a better term Through you, Mr. President.

THE CHAIR:

Senator Debicella.

SENATOR DEBICELLA:

Thank you, Mr. President. In fact, we do. We actually have incident rates for all of the major diseases that are here in Connecticut. For example, with cancer, we had, in 2003, the latest year that we

have data for, 136,363 cases of cancer, which is an incident rate of about 3.9 percent of the population having cancer. For diabetes, 147,392, about 4.2 percent of the populations. Heart disease, 224,165 cases, 6.4 percent. So these are diseases that we're talking about -- I just named probably, the big three that can be dealt with through prevention, cancer, diabetes and heart disease. And when I say prevention, I don't mean that we're going to prevent them entirely. It's actually early detection and treatment that we're going to be dealing with these diseases. And you can see that just right there in 2003, that 15 percent of the population of Connecticut was dealing with those diseases.

I think it's clear to say that every family in Connecticut is touched by them. So when you talk about the savings and you say well, geez, if 15 percent of us had one of these three diseases and we could stop -- I used the number 25 percent before -- let's use the number 10 percent. If one out of ten of these diseases could be caught earlier, that would be, just based on these numbers, about 30,000 people whose lives would be saved. 30,000 people who would have a

better chance of surviving cancer or heart disease or diabetes.

And the cost savings from that, as estimated by the Milken Institute, is up to 90 percent of the cost of treating them. So you take 30,000 people a year, times a 90 percent savings rate on their treatment and you're looking at significant dollars. I used the number before, four billion, that would assume a 25 percent rate of early detection. If it were ten percent, you're still looking at a 1.5 to 2 billion dollar savings for Connecticut. Not just in our government, that's our overall economy. But, Mr. President, Senator Kane is absolutely right when he says that there are significant savings possible based on the statistics that are out there. Through you.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Mr. President. You know, I believe in that. I agree. I had a family member recently who took a proactive approach and went to see his doctor for prostate screening. Every year he goes and they were able to detect something at the very early onset

stage. And in doing so, he was given a number of choices of how to attack the problem, the spot, if you will. And right here in Hartford Hospital, as a matter of fact and not too long ago, I probably think it was March, I believe, he was able to, with all due respect, nip it in the bud, because he was able to care of the problem head-on and now, he's fantastic. You know, he's back to work, everything's going well and he's cancer-free, knock on wood.

So I think that's a very crucial part of this, is you mentioned if ten percent of the population can take advantage of this, I know one in my own family that could have taken advantage of something like this because they were able to detect it quite early and prevent any onset or anything further. Because if you let it go, that's when it gets worse.

So I think that this is a wonderful program. My last question, to you, Senator Debicella, through you, Mr. President, is this seems pretty innovative. And a lot of people talk up here about well, what are other states doing, and I've heard it mentioned a couple of times, we could be the first. I know it was spoken about a day or two ago, that we could be at the

forefront. Well, we could be at the forefront of this.

Do you know if, beyond Connecticut, what we're proposing here today, which could be quite historic, any other states doing anything like this? Through you, Mr. President.

THE CHAIR:

Senator Debicella.

SENATOR DEBICELLA:

Mr. President, through you, first off, I'm very thankful that Senator Kane's family member was able to get the early detection and is now cancer-free. It's something that we wish him all the best of luck and to all of our families as well because we've all been touched by this.

In answer to your question, to Senator Kane's question, this would be a historic first-in-the-nation tax deduction that we would have for preventative medicine. This is something that would be innovative. It is something that has not been tried before. So this is something -- we always talk about trying to do historic firsts in Connecticut and we have done some, even in the last year. This historic first would be a

phenomenal experiment in reducing costs and saving lives.

And in the worst case scenario, if the fiscal note is right, we lose 38 million dollars a year, starting in 2012. If this is an absolute failure and it doesn't work, we lose 38 million. But to me, the opportunity to save four billion, if it does work, is well worth that risk.

So this is an opportunity, through you, Mr. President, to Senator Kane for us to really take a leadership role here in Connecticut in containing health care costs. It's something that we've been working a lot on in the Public Health Committee. We've had a lot of good ideas come through here this session. This one would truly be ground-breaking. Through you, Mr. President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Mr. President, through you, I actually do have one more question and my apologies for not getting into the specifics more in depth or in detail.

n the example I gave you of a family member who

obviously went to the doctor proactively and had the checkups and was able to take this prostate problem head on. In his scenario, let's say the bill was enacted, we already had it in place, he would receive a tax credit of what kind? Is it based on his premiums, is it based on the procedure that he has? I should have asked this question earlier, Mr. President, and I apologize, but just in that specific example, what kind of tax credit would it be in that example? Through you, Mr. President.

THE CHAIR:

Senator Debicella.

SENATOR DEBICELLA:

Through you, Mr. President. It would be equal to all of that family's out-pocket-expenses for that financial year. So to be very specific, it would consist of copays, it would consist of deductibles and it would consist of any other out-of-pocket expense. Not just for those procedures, but any out-of-pocket expense for the entire year.

Now another thing, to be very specific, Mr. President, for a family, every member of that family must get the preventative medicine to qualify for that

treatment. So if you are a family of four, all four of you have to get your annual physical, all four of you have to complete any other tests recommended by the AMA. So this is something that everyone in the family has to do, but the benefit of it in terms of the tax deduction is much greater than the immediate preventative services required. Through you, Mr. President.

THE CHAIR:

Senator Debicella. Very good. Senator Kane.

(LAUGHTER)

SENATOR KANE:

Thank you, Mr. President. You actually just made me think of another question. Because --

THE CHAIR:

Was it me or Senator Debicella?

SENATOR KANE:

It was Senator Debicella, Mr. President, with all due respect. But what you made me realize is we've had a great number of debates on mandates. And we talk about how we can't have a one-size-fits-all type of system that we have here in the State of Connecticut, mandating all these different types of coverages for

every single individual when maybe not every individual would take advantage of those mandates and not necessarily need those mandates. So I gave you an example of a family member that had an issue with a prostate. So obviously the other members of the family -- they're not going to have that because they're females or younger people or whoever, they're not going to have that same issue. So this doesn't require any type of mandates like that? Through you, Mr. President. I'm assuming that this doesn't say that these are the coverages, but you're allowed all these different types of coverages based on your individual issue or individual procedure that you're looking to be proactive with? Through you, Mr. President.

THE CHAIR:

Senator Debicella.

SENATOR DEBICELLA:

Thank you, Mr. President. Mr. President, Senator Kane is correct. There is no additional mandates in here and in fact, most, if not all, of the AMA prescribed, recommended tests are ones that are covered in basic health insurance plans. So we're not

asking here for any crazy, exotic tests of any kind. These are very standard tests that everyone should receive. And, quite, honestly, if you go to your doctor, they will tell you, you should get this. Even without this they would say here are the tests you should get given your age and gender. So there are no additional mandates in this bill. Through you, Mr. President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Mr. President and I appreciate Senator Debicella for all his answers. You know, as we spoke, it kind of just drew more questions for me and having a family member as specifically as I do who could have taken advantage of such a program, I firmly believe in it. We are very happy that he was able to take advantage or be proactive in his own health care and move on beyond this issue and it's very pleasant for that.

I thank Senator Debicella for promoting this here today. I think it's something that we should all vote in favor for here on the Senate floor and I look

forward to it. Thank you, Mr. President.

THE CHAIR:

Thank you, sir. Will you remark further on Senate A. Senator Caligiuri.

SENATOR CALIGIURI:

Thank you, Mr. President. If I may, I have a few questions, through you, to Senator Debicella.

THE CHAIR:

Senator Debicella.

SENATOR CALIGIURI:

Mr. President, through you, and I -- and Senator Debicella, if you addressed this, I can move on to a different question, but my recollection is that some studies have shown that a surprisingly low percentage of the American population is actually going in, for example, for an annual physical. I don't recall you addressing that but I think that's an important starting point in assessing your legislation, through you, Mr. President, because it forms a really strong basis of the need for it. Through you, Mr. President, Senator Debicella, could you address the data you have available about the use of preventive care and in particular annual physicals? Through you, Mr.

President.

THE CHAIR:

Senator Debicella.

SENATOR DEBICELLA:

Through you, Mr. President. An excellent question by Senator Caligiuri. The report from the University of Pittsburgh showed that only 20 percent of Americans actually get their annual physical exam. And I was shocked by that number. To say that only one out of five of us are visiting a doctor once a year when we're not sick, it's an amazingly low number. So, through you, Mr. President, for annual physicals that's the statistic that I have.

THE CHAIR:

Senator Caligiuri.

SENATOR CALIGIURI:

Thank you, Mr. President. And I thank Senator Debicella for that answer. Another question is that the bill obviously, having established the need, which is to incent individuals to engage in preventative care.

I think the strength of the bill is that it relies on tax policy to achieve that, but it assumes that tax

policy is an effective way of inducing certain types of behavior. Through you, Mr. President to Senator Debicella, I would appreciate it if Senator Debicella can point to any learning that he has or any basis for the assumption embedded in this that tax policy is the better way to incent behavior as opposed to other types of inducements, mandates or incentives? Through you, Mr. President.

THE CHAIR:

Senator Debicella.

SENATOR DEBICELLA:

Thank you, Mr. President. Mr. President, we have seen a number of times in Connecticut and in fact, a number of times in this Circle in the last, even in the last two weeks of evidence that tax incentives lead to certain behavior.

And I'll take one from outside the health industry because tax incentives are something relatively new to the health industry. But one that we've looked at here in Connecticut is the film industry tax credit where we have used a tax policy to try to incent a particular behavior, very specifically getting film companies to come to Connecticut. We have seen that

policy has been successful. Now, some proponents or opponents may debate that that actually costs us more money than it brings in and that's a debate we could have. But the fact that the tax policy actually changed behavior, actually changed the actions of film companies in deciding where to locate is one example.

Another example is one that Senator LeBeau brought up actually, just two weeks ago in talking about Bradley Airport. It's a bill that we passed out of this Chamber that creates a development zone around Bradley Airport. Where, by giving tax incentives, on both property taxes and State taxes, Senator LeBeau is hoping, and I think accurately so, that the ten-mile radius around Bradley Airport will get developed and will start to see more economic activity. And so, Mr. President, we have seen people respond to incentives, tax incentives in other areas of their life.

And Senator Caligiuri, quite correctly says, that there are other ways that we could do this. We could mandate this. We could say everyone must get an annual physical every year. I don't know how we would enforce that, very tough to enforce to make sure everyone's getting their annual physical. So the

incentive idea is one that says we are going to try to get that 20 percent of people who are getting their annual physical up. And I don't - I mean, this is the first in the nation type of bill, I don't know whether that number will go to 30 percent, 40 percent, 50 percent, we have to see. But I do believe there's strong evidence that tax incentives do influence behavior. Through you, Mr. President.

THE CHAIR:

Senator Caligiuri.

SENATOR CALIGIURI:

Thank you, Mr. President. And I thank Senator Debicella for that response. I know in response through Senator Kane's, one of his questions earlier, you cited, through you, Mr. President to Senator Debicella, a body of evidence about the cost that we incur as a result of not having proper incentives in place of preventative care and the savings that we could realize as a result of instituting a policy like this if it's successful. And I believe that it would be. Through you, Mr. President to Senator Debicella, I'm wondering for purposes of measuring the success of this program, if we're fortunate enough to have it

become law. Does Senator Debicella, through you, Mr. President, have some thoughts on what the best metrics would be for measuring the success of this type of a tax credit program, if we're able to pass it into law? Through you, Mr. President.

THE CHAIR:

Senator Debicella.

SENATOR DEBICELLA:

Thank you, Mr. President. That's an excellent question, Senator Caligiuri. It's something in -- as we talk about results-based accountability, we want to be looking at the results and the outcomes. So I'll suggest a couple that we look at. And there's some that are short-term, some that are medium-term and some that are long-term.

I believe in the short-term, one of the best indicators is to see what the change is in the first few years of people taking advantage of the tax credit. Because presumably, assuming that the statistics that we have in front of us are correct, probably about 20 percent of the people would take advantage of it if no change in behavior happened. If people are just going to get their annual physical and

assuming those folks are getting the other tests. So the first metric would say by 2013 or 2014, the second or third year of the program, do we see the number of people actually utilizing the tax credit go up, because that would mean that more people are getting their annual physicals and other tests.

The second metric I would use -- so that's a short-term metric. The second metric I would use is to see if we see a change in the cost per patient for various diseases. And we could track that best through our government health care systems. We don't have access to all the private industry data but we do for Medicaid, SAGA, Charter Oak, for all the public plans that we have. So what I would want to see, as you look kind of in the five to ten year time frame is to actually see a reduction in the cost per patient for cancer, for heart disease or for diabetes. And in the long-term and most importantly as we look out ten years and beyond, we would want to see a decrease in the fatality rate, a decrease in the number of people dying from these diseases or alternatively, an increased life span for those once diagnosed with cancer or heart disease.

So I think those are three metrics -- short-term, medium-term and long-term, that we can look at to actually evaluate if this is going to be successful or not. Through you, Mr. President.

THE CHAIR:

Senator Caligiuri.

SENATOR CALIGIURI:

Thank you, Mr. President and I thank Senator Debicella for that. And it's my sincere hope that we have a chance to actually measure the success of this program, because I think we would find that it would be very successful and I think that those metrics that you suggest are very good ones, indeed.

Briefly, Mr. President, speaking in favor of the Amendment. I want to commend Senator Debicella for introducing this and really pushing this over the last several years along with Senator McKinney. This is, I think, a very effective way to encourage behavior. I think from a policy perspective, we have fundamental choices that we face every day. We're trying to encourage or discourage certain types of behavior and the question is what is the right and best way to do that? We often deal with that by choosing to mandate,

to prescribe certain behaviors, to require certain behaviors or to prohibit certain behaviors.

And on the other side of the spectrum is to use inducements to certain types of behavior. Part of the, I think, great advantage of the approach reflected in this Amendment is that it choose to encourage behavior, induce behavior but in a way that ultimately values human freedom. It's still a choice, it's still something that, ultimately, an individual choose to do. Government isn't' telling them, they must do this or must do that. Government isn't saying you may not do this or may not do this. What government is saying, when it uses tax policy, the way this Amendment would have us use tax policy, is it says as a matter of principal we want to encourage you to do X or Y or Z. Because we believe, as a matter of public policy, that we will be better off, you, individual, will be better off if you engage in these activities. But ultimately, we respect and value human freedom enough that we don't mandate it. And we use incentives instead to try and get us to the same result.

I think that's part of the wisdom here and

although this next comment is not directly on point, we often face choices that ultimately impact the size of state government. And one of the things that I've liked so much about using tax policy to encourage behavior is that we're able to achieve very important objectives without growing the size of our state government, which is something we can barely keep up with as it is. So certainly, there is a cost but if we're going to pay a cost, I would rather do it through diminished revenue than on the other side of the equation, which is through an ever larger government, that absorbs more and more of our tax payer dollars. And so that's also part of the wisdom I think of using tax policy instead of growing bureaucracies to achieve certain aims. So for all of those reasons, I believe the Amendment is very thoughtful and would represent an excellent advance for public health and well being for the State of Connecticut. I look forward to voting in favor of it and I commend Senator Debicella once again for his leadership on this issue. Thank you, Mr. President.

THE CHAIR:

Thank you, sir. Will you remark further on Senate

Amendment D? Senator Harris.

SENATOR HARRIS:

Thank you, Mr. President. I just request a roll call vote, please.

THE CHAIR:

A roll call vote was requested earlier, sir. Thank you.

Senator Guglielmo.

SENATOR GUGLIELMO:

Thank you, Mr. President. I hadn't planned to speak on the Amendment but I did read some of the material and it's pretty impressive. I did want to compliment Senator Debicella for coming forward with the idea. In some of the material I read and I guess there was a study by the Milken Institute that said for every dollar that we spend on this type of program there'd be a $40 return and that, in the type of demographics we have now, with our population aging, this is going to become even more and more of a factor.

And I did have one or two questions for Senator Debicella. Through you, Mr. President, I know that the Senator said that there were no other states who

had this kind of program, but internationally, are there other nations that have programs that encourage their citizens to get annual physicals because that seems to be the starting point for all the good things that can happen?

THE CHAIR:

Senator Debicella.

SENATOR DEBICELLA:

Thank you, Mr. President. Mr. President, I am actually not sure of the answer to that question. I'm actually not sure if other countries are doing things to actually incent the folks getting their annual physical nor do I have comparative statistics. So we talked abut 20 percent of Americans are getting it, not sure how much it is in other, say, European or South American countries. Through you, Mr. President.

THE CHAIR:

Senator Guglielmo.

SENATOR GUGLIELMO:

Thank you, Mr. President. I want to thank Senator Debicella. But the reason I did stand up was that my wife and I have both had annual physicals over the years and for personal experience, it was beneficial.

And in one of my annual physicals, maybe 15 years ago, I found out I had diabetes. Not early onset, but I did have it and still do. And it encourages you to do some of the things you ought to do anyway. Lose a little weight. I didn't lose enough, but I lost some. Exercise a little, I don't exercise enough but I'm doing some. Of course, these past few weeks, with the food we've had here, hasn't been too helpful, but it does help you to identify problems that you had no other way of knowing.

And the same with my wife who went to the same physician for an annual physical, saw somewhat of a murmur in her heart valve maybe seven or eight years ago, we watched it annually, it got a little worse, she had open heart surgery and heart valve replacement in October, she's back to a hundred percent, goes to the gym every day, stays on the treadmill for an hour.

These are all just examples of things that neither her not I would have known about had we not had the benefit of an annual physical. I am surprised that only 20 percent of the people would take advantage of that. But if we just increased that to 40 percent -- and I know we're spending three billion dollars a year

here in Connecticut alone, over 3, on medical care for chronic diseases. If we could just increase that percentage -- getting physicals from 20 to 40 percent would have a huge impact on not only cost wise, but just in the quality of life of the people here in our state. So I want to commend the Senator for that. And thank him for bringing it forward and thank you, Mr. President.

THE CHAIR:

Senator Roraback.

SENATOR RORABACK:

Thank you, Mr. President, through you, if I may, a couple of questions to Senator Debicella.

THE CHAIR:

Senator Debicella.

SENATOR RORABACK:

Thank you, Mr. President. Through you, Mr. President to Senator Debicella, I was curious to know whether this idea has been experimented with in any other states and if so, what states and what their track record has been? Through you, Mr. President to Senator Debicella.

THE CHAIR:

Senator Debicella.

SENATOR DEBICELLA:

Mr. President, through you, the answer is I don't believe so. I believe this would be a first-in-the-nation experiment that would be groundbreaking. Through you, Mr. President.

THE CHAIR:

Senator Roraback.

SENATOR RORABACK:

Thank you, Mr. President. And quite frankly, I think the time for a paradigm shift has long since past. It always amazes me that you have to fight with insurance companies to get them to pay for a mammogram or a physical. If I were an insurance company, I would say that if you want to stay on my plan you have to get a physical, you must get a mammogram. Because any right thinking insurance company and profit oriented insurance company would recognize that by obligating you to go through the preventive measures we have available, they can avoid much costlier consequences down the road. So through you, Mr. President, to Senator Debicella, is the intent of this tax credit to make a small investment early to avoid

large costs later on? Through you, Mr. President to Senator Debicella.

THE CHAIR:

Senator Debicella.

SENATOR DEBICELLA:

Thank you, Mr. President. Through you, Senator Roraback has it exactly right, which is a small investment of both money, in terms of the tax credit, but also in terms of time, in terms of the amount of time individuals have to spend just getting their physical is a huge investment that will yield billions of dollars of savings later on in terms of avoided costs, not only from the direct cost of medical care, but, Mr. President, something I failed to mention before, is included in the statistics I cited, are the costs of lost human life. Because when you think about it, if we are losing people to cancer, to heart disease, to other ailments earlier than otherwise is possible, we are losing a tremendous amount of human productivity. We're losing the creativity that people bring, especially as these tend to be older workers in our economy. So the investment that Senator Roraback talks about is not just one that saves us medical

dollars but it saves human lives and all of the great things that our economy gets out of the creativity of older workers. Through you, Mr. President.

THE CHAIR:

Senator Roraback.

SENATOR RORABACK:

Thank you, Mr. President. I remember a couple of years ago, I read an article, I think it was Philadelphia, where the city of Philadelphia was giving maybe tickets to the circus or concert tickets to parents that would bring their children to be immunized. And at first blush, I though that it was, at some level sad, that in order to induce parents to get their children the proper inoculations that the government would have to dangle something of value to get their attention or to induce them to do the right thing.

But then I came to understand that not only was it best for the health of the kids, but quite frankly, whatever the circus tickets cost or whatever the concert tickets cost, those costs for government were considerably less than what the costs would be if the children did not get their inoculations and then came

down with the childhood diseases which were so easily preventable.

And so, through you, Mr. President to Senator Debicella, is it fair to look at this tax credit proposal with the same line of thinking, that it's in government's best interest to reward behavior in a financial way which causes people to focus on maintaining their health. And that in fact, in the fullness of time, the costs that are incurred in the short-term will be recovered many times over in the long term as the public comes to see that not only is there a short-term financial gain for taking care of oneself, but there's a long-term public, social gain to a healthier population. Through you, Mr. President to Senator Debicella.

THE CHAIR:

Senator Debicella.

SENATOR DEBICELLA:

Thank you, Mr. President. Through you, two parts to the Senator's comments. The first being of the Philadelphia example and how can someone not go, especially for their kids, I share Senator Roraback's shock at that.

But when you think about why adults aren't getting their annual physical, I look no farther than my dad and the example of my dad and I've talked about my dad several times in the circle. Bridgeport cop and a tough guy. And he would -- he never went to the doctor, he's say, I'm not sick, I don't need to go to the doctor, I don't have time to go to the doctor. I've got 50 things to do, forget about it. And so, he never went and the one time that he eventually did end up going, under great duress because my mom forced him to, they found a lump under his armpit, that actually turned out to be cancer. And so my dad, looking back, would say, my God, I should have gone but I found ever excuse not to. I don't need it, I don't like doctors, I don't have time.

And so this bill gives that extra oomph, this bill gives that extra incentive to say, well, you know what, if all those reasons aren't good enough and all those reasons you know you should, here's a couple hundred dollars in reduced taxes that you'll get for going. And so that's the first part of what Senator Roraback had said.

The second part is absolutely right, it's from a

public policy perspective. And from the State of Connecticut's perspective, we have an incentive to keep our citizens healthy and productive. And the small investment, according to the fiscal note, of 38 million dollars, if everybody took advantage of this, in FY 2012, pales in comparison to the amount of savings we would get, not only in direct medical cost, which would help us both with our middle class health inflation and covering the uninsured, but in human lives.

And so, Senator Roraback is absolutely right in how he is looking at this Amendment. Through you, Mr. President.

THE CHAIR:

Senator Roraback.

SENATOR RORABACK:

Thank you, Mr. President and through you to Senator Debicella. Obviously, there's a debate taking place at the national level about how best to promote public health throughout this nation. And through you, Mr. President to Senator Debicella, is he aware of elements in the thinking in Washington which are reflected in the Amendment that's before us today?

Through you, Mr. President to Senator Debicella.

THE CHAIR:

Senator Debicella.

SENATOR DEBICELLA:

Thank you, Mr. President, to Senator Roraback, the federal government and the Obama administration are looking at a couple of key tenants of health care reform. One of which is preventative medicine. So this is very much on the national radar as a topic. In terms of actually using tax credits as the incentive device to spur more people to get their annual physicals and other tests, that has not been something I've heard out of the Obama administration yet. But I know that this topic is a key area of focus for the President and for the national Congress as they try to craft a national health care solution. Through you, Mr. President.

THE CHAIR:

Senator Roraback.

SENATOR RORABACK:

Thank you, Mr. President and through you to Senator Debicella, I wonder if Senator Debicella gave any thought to holding his proposal on his head and

somehow penalizing people in a financial way for neglecting to take necessary preventive steps to protect their health?

And by way of example, Mr. President, I think we all know that colonoscopies are recommended for individuals over the age of 50. And for those who choose not to follow the best medical practices and do that, they are exposing not only themselves to potentially much more sickness than would otherwise be the case if they were early intervention, but obviously, society bears the costs of disease that could have been averted if something had been done diagnostically earlier.

And at some level, Mr. President, this is kind of the debate about whether people should wear motorcycle helmets. Because the motorcycle helmet debate goes to the question of to what extent should society be asked to bear the costs of individual liberty when those costs are not visited exclusively on the individual who chooses to exercise that liberty. So through you, Mr. President, to Senator Debicella, did he give any thought to pursuing this line of policy in a more punitive way rather than rewarding people for doing

the right thing? Did he think about punishing people for doing what one might characterize as the wrong thing? Through you, Mr. President to Senator Debicella.

THE CHAIR:

Senator Debicella.

SENATOR DEBICELLA:

Thank you, Mr. President. And, Mr. President, I think it's no coincidence that the Senator is using the colonoscopy-at-50 example as I'm sure that he is either has or recently will have that experience himself and I hope he gets it done.

Through you, Mr. President, the answer to the question is yes, we did consider a more punitive way of doing this and rejected it. The punitive way of doing this is actually, though, very much so along the lines of what you had said before. It is to say rather than a financial penalty to say that we would allow health insurance companies and the State would mandate that if you do not get and annual physical, you can either be rejected from the plan, you could have a higher co-pay, a higher deductible, you would have a different pricing structure. We rejected the

punitive approach to this as saying you know, given where we are right now, with 20 percent of people getting their annual physicals, we don't want to set up a system that punishes 80 percent of the people who aren't getting their physicals right now. It would be too harsh a manner to achieve the desired result. Thus, we arrived at the tax incentive as a better way to actually insure that we are giving people every chance possible to get the preventative tests and annual physicals done, rather than saying "we're going to raise your deductible, we're going to kick you off health insurance", which might exacerbate some of our short term problems to meet the long term goal. Through you, Mr. President.

THE CHAIR:

Senator Roraback.

SENATOR RORABACK:

Thank you, Mr. President. And speaking to the paradigm shift which I referred to earlier in my remarks, because I think it's essential for us as a society to begin to look at health care responsibility in a different way and to create a new mix of incentives, through you, Mr. President to Senator

Debicella, is Senator Debicella aware of the experience of the Pitney-Bowes Corporation had when they chose to eliminate co-pays for maintenance drugs? You know, we're all kind of conditioned to anytime you get a prescription, you should have to reach into your own pocket, to feel the pain and yet for maintenance drugs, a copay could be a deterrent to people actually going out and getting the drugs which keep them healthy. And so through you, Mr. President, I was wondering if Senator Debicella had any familiarity with the experience that Pitney-Bowes had when they elected to eliminate co-pays for maintenance drugs in their workforce? Through you, Mr. President to Senator Debicella.

THE CHAIR:

Senator Debicella.

SENATOR DEBICELLA:

Through you, Mr. President, I'm actually embarrassed to say that I do not, seeing as how I have a Pitney-Bowes facility in my district. It actually sounds like a very interesting way to actually reduce costs. And forgive me for answering a question with a question, but through you, Mr. President, how did it

turn out? Is the Senator aware of the results of that program? Through you, Mr. President.

THE CHAIR:

Senator Roraback.

SENATOR RORABACK:

Thank you, Mr. President, in fact I am. And last year, I had the distinction or the honor of serving as the ranking member of the Public Health Committee and in that context, had the opportunity to learn a little bit about different innovative approaches that are taking place in the private sector to drive down health insurance costs.

And through you, Mr. President, to Senator Debicella, one of the interesting approaches was that which was taken by the Pitney-Bowes Corporation when they said, you know what, we're going to give our employees, for free, those drugs which enable them to maintain their health. So-called maintenance drugs. And so, not surprisingly, their prescription drug bill went up but it didn't go up to the extent of the money that they saved in treating this chronic conditions because when employees got the drugs for free, it meant that they didn't suffer those chronic conditions

which would have been present if they had say, you know what, I don't want to reach into my pocket and buy those pills so I'm not going to take the pills, therefore I become sick, therefore the insurance pool bears a much higher cost to treat the illness than what the investment was to avoid the illness.

So through you to Senator Debicella, the experience that Pitney-Bowes said was there was a short-term bump in what they paid for the prescription drugs, but it was more than compensated for by the long-term reduction in costs that were incurred in treating chronic diseases.

And through you, Mr. President, I don't know the extent to which Senator Debicella's Amendment addresses the reality, but I think about 70 percent of health care costs in this country are spent on managing chronic conditions. And through you, Mr. President, would these tax credits be available to individuals with chronic conditions who choose to manage them in a responsible fashion? Through you, Mr. President to Senator Debicella.

THE CHAIR:

Senator Debicella.

SENATOR DEBICELLA:

Thank you, Mr. President. Through you, first off, Senator Roraback's example from Pitney-Bowes is actually a fantastic one and thank you for sharing that with us. Because the question that the Senator asked before - had another state done this -- and the answer is no, not to my knowledge, but learning that the private industry has done something, not exactly the same, but parallel in investing in preventative medicine and reaping much greater savings demonstrates the potential for this program.

And as so often, our private businesses serve as a laboratory for what could actually work here in State government. And so, Mr. President, I thank him for that.

To his direct question about whether folks with chronic diseases; diabetes, heart disease, hypertension would be eligible for this tax credit, the answer is yes. There is no pre-existing condition. People who might have cancer and are going back on a regular basis to get the preventative checkups necessary and as prescribed by the AMA would be eligible for this tax credit. Through you, Mr.

President.

THE CHAIR:

Senator Roraback.

SENATOR RORABACK:

Thank you, Mr. President, and would the tax credit -- a couple of technical questions about how the tax credit would work in reality. This is a deduction against the Connecticut State income tax, Mr. President? Is that correct, through you to Senator Debicella.

THE CHAIR:

Senator Debicella.

SENATOR DEBICELLA:

Thank you, Mr. President. Through you, the answer is yes and I thank the Senator for bringing out that clarification because I colloquially refer to it as a tax credit. It actually, in reality is a tax deduction. So the amount of out of pocket expense that you have would be deducted from your income for purposes of figuring out your taxable income rather than a direct credit, which would apply against your tax liability. So even though I use the word credit loosely to describe it, it is in actuality a

deduction. Through you, Mr. President.

THE CHAIR:

Senator Roraback.

SENATOR RORABACK:

Thank you, Mr. President. Through you, to Senator Debicella, is he aware of whether or not Connecticut law allows for any deductions whatsoever against Connecticut personal income tax liability? Through you, Mr. President to Senator Debicella.

THE CHAIR:

Senator Debicella.

SENATOR DEBICELLA:

Thank you, Mr. President. There is one major and several minor ones. The major one is the property tax credit which allows -- forgive me, in speaking, I'm confusing myself, because that is a credit. The property tax credit is a direct credit against the income tax. The deductions and the good Senator will forgive me, I do not have it in front of me, I believe there are six different deductions and additions, the alternative to that, to the State income tax when figuring out your income. And I believe that includes things like the interest on Connecticut bonds and

there are four or five others that you can deduct from your national adjusted gross income, but the good Senator will forgive me, I don't have that list in front of me. It is a relatively limited list. Through you, Mr. President.

THE CHAIR:

Senator Roraback.

SENATOR RORABACK:

Thank you, Mr. President. And would Senator Debicella concur -- my understanding, other than those deductions, which I think by law, we're not allowed to tax interest on federal obligations, but my understanding is the only deduction against Connecticut income that we currently allow is contributions to the CHET program. Through you, Mr. President to Senator Debicella, is he familiar with the CHET program and the deduction that we allow Connecticut taxpayers to claim when they make contributions to the CHET program.

THE CHAIR:

Senator Debicella.

SENATOR DEBICELLA:

Thank you, Mr. President and I thank the Senator

for reminding me of that. That is one of the deductions that is allowed although I dare say that as ranking member on Appropriations talking to the ranking member on Finance, I am probably at a disadvantage relative to my friend, Senator Roraback in terms of knowledge of the tax deduction structure. Through you, Mr. President.

THE CHAIR:

Senator Roraback.

SENATOR RORABACK:

Thank you, Mr. President. The point I'm trying to make is that we, as a matter of public policy, have seen fit to offer a tax deduction for educational purposes because we, the General Assembly, a couple of years ago said promoting public education is a public policy priority for us. And so, through you, Mr. President, to Senator Debicella, is it -- my guess is that his Amendment is predicated on the belief that health care for our citizens is equally as important as education and equally deserving of a place in our tax code to incent people to take care of themselves, just as we incent people to support higher education. So through you, Mr. President to Senator Debicella, is

that the thinking which underlies this Amendment?

THE CHAIR:

Senator Debicella.

SENATOR DEBICELLA:

Thank you, Mr. President. Senator Roraback's absolutely right. It's that although we have had, historically in the state of Connecticut, a resistance to adding on a large number of deductions onto our income tax, this rises to the level of having such great importance in terms of saving lives and in terms of reducing health care costs, that I do believe that it rises to the same level as the CHET deduction, if not, in my personal opinion, potentially, even greater. Because here we're talking about matters of life and death and one of the major fiscal issues facing our State and our nation over the course of the next ten years. Through you, Mr. President.

THE CHAIR:

Senator Roraback.

SENATOR RORABACK:

Thank you, Mr. President. And one of the public policy initiatives that I've taken a great interest in is the notion of smart metering. That if people had

electric meters inside their homes and could see that they were charged a price differential for consuming electricity at peak times, that we would see changes in behavior which would (inaudible) to us as a society and, through you to Senator Debicella, I see this Amendment as being born of the same kind of thinking, that human beings tend to react to price points of financial inducements. And that if we say to people, not only is there a health reward for doing the right thing, but you also get a financial benefit for doing the right thing by way of your health, that we would see more people availing themselves of those things which make us healthier as a society. And through you, Mr. President to Senator Debicella, is that a fair way to kind of analyze this Amendment?

THE CHAIR:

Senator Debicella.

SENATOR DEBICELLA:

Thank you, Mr. President, Through you, , I believe that's exactly correct. In saying that people respond to economic incentives is one of the foundational thoughts in our capitalist system. And it's something that I think is proven time and time

again in so many different areas of life. Senator Caligiuri and I had spoken about having to do with public policy, specifically around Bradley Airport and around the film tax credit we have.

But economic incentives operate throughout our lives and not just in the tax code. You know, there are some that are fundamental, so fundamental that we don't even think of them. You know, ones that most people, Mr. President, I would presume, would not get up and go to work if they were not -- if they did not have a financial incentive to do so. Now work, in and of itself, has some intrinsic rewards and many people love their jobs and love what they do. But I don't know if many people would actually get up and go to their jobs every single day if there weren't that economic incentive to do so. So that's a very foundational and fundamental example, but as we think about tax credits as a way to incent behavior that's going to lead to better public health policy, I think we can see any number of examples of economic incentives leading to changes in behavior.

So, Mr. President, I believe the Senator is absolutely right that the philosophy underlying this

bill is that getting your annual physical and getting preventative tests are good in and of themselves. Whether this passes today or not, people should do that. But this does give them that extra incentive, that extra monetary incentive to go and get those tests and that annual physical done. Through you, Mr. President.

THE CHAIR:

Senator Roraback.

SENATOR RORABACK:

Thank you, Mr. President. And I thank Senator Debicella for bringing this Amendment forward. I think, as we engage in a national discussion about how best to control heath care cost, to broaden access to coverage, we can't have that debate responsibility without asking each of us as citizens in this country to take greater responsibility for safeguarding our own individual health. Mr. President, I think this Amendment represents a very responsible merger of sound financial policy and sound public health policy. I urge Members of the Chamber to support the Amendment and I thank Senator Debicella for his answers. Thank you, Mr. President.

THE CHAIR:

Senator McKinney.

SENATOR MCKINNEY:

Thank you, Mr. President. Mr. President, I rise in support of the Amendment before us. Mr. President, this may be one of the more important topics we discuss as a government, as a legislature and this may be one of the best solutions to handle the problem. To handle the problem of ever-escalating health care costs, sky rocketing increases in health care costs which limits the access to proper health care by individuals. Costs that are so high which is why we have maybe as many as six to ten percent of the people in the State of Connecticut without health care. Costs that are so high that our hospitals are struggling to make ends meet every day.

And when you think about the underlying principle behind what Senator Debicella has offered, I want you to think about how it is exactly consistent with bills that we have already passed this year with near-unanimity in this Senate and legislation that we have passed in prior years.

Just last night, Mr. President, we passed a bill

that did a number of things regarding insurance mandates. One of the provisions of that bill was a bill regarding bone marrow testing. Well, there's a cost to testing people -- to do bone marrow testing, but there is tremendous savings to be born by early detection. By actually having a registry so that you can go national and find out if you need a bone marrow transplant, who that match is. And not only are you saving a lot of money through that, you're actually saving people's lives. And we just did that last night, a preventative measure that will save long-term in our health care system, but cost a little bit of money to do now.

We've also done early screening for cystic fibrosis, this session, within the last two weeks in this Senate. And again, we all examined the fiscal notes. And we all talked about, well is there a cost to do the testing for cystic fibrosis and the fiscal note says yeah, it might cost a little bit. And then the fiscal note continues to talk about how much we save in our health care system by early prevention through testing.

Those are two things that we've done just this

year alone. We have over the past decades of course as a society done things with regard to mammographies and breast cancer testing. We've done things with respect to prostate cancer for men. Because we have seen how testing, going to see your doctor, early detection, not only saves lives, it also saves our system lots of money.

This is the same underlying principal here, that by incentivizing, by spending a little bit in your health care system you will improve people's lives, indeed, save some lives and at the same time, lower the cost of health care, lower the impact on our economy and save money. Senator Roraback mentioned in talking about this, about the example he gave where people were actually paying money for kids to get immunized.

We've done something similar to that in Connecticut, we do it nationally as well. Where we actually spend money in our budget to educate people and help people take medications. For example, people with HIV and AIDS. And we actually spend money in trying to educate and help and promote people taking their proper medication when they should take it. And

it doesn't make sense when you first think about it. Wait a minute, people have a chronic disease, a deadly disease and we're actually spending money as a government to take their medication. Well, does that make sense? Of course, they're going to take their medication. But the proof is that some people were not. And the cost in human fatality and the cost in dollars far outweighed the money that we spent in actually putting that in the budget. Similar to what we did again, recently in this Circle, when we changed the standard wage laws for the janitors. The reason why we changed that is because they weren't getting paid enough to pay for health care because health care costs have gone so high. But people who supported that and I was one of them, Mr. President, understood that if we didn't spend that money, it would actually or may actually cost us more in the costs of these individuals going on HUSKY or some other State plan. Again, you can't look at just what the cost of a program is, you have to look at what the costs of not doing the program are. And when you look at this tax credit you understand, as the Milken Institute proves, without question of a doubt, that if

we were to pass this, the State of Connecticut would save a lot of money.

And let's just take a quick look at some of those numbers. According to the Milken Institute, there were two million cases of seven chronic diseases that were reported in Connecticut-- and this study, Mr. President, was done in the year 2003. Those seven chronic diseases were cancers, diabetes, heart disease, hypertension, stroke, mental disorders, pulmonary conditions, two million cases just in 2003. And the cost of those illnesses, those chronic illnesses, as Senator Debicella, talked about, have a massive loss in productivity to the State of Connecticut.

Let's just think about that for a second. Someone who goes undetected for months or years with diabetes or heart disease or, God forbid, cancer, who gets very sick because of that disease, because they did not get early detection, that person misses a lot of work, perhaps can't even keep a job if the situation, if their condition gets that much worse. And according to the Milken Institute study in 2003, the State of Connecticut lost 12.9 billion dollars, 12.9 billion

dollars were lost in economic activity because of those seven chronic diseases.

Now according to the same study, Mr. President, prevention, prevention, early detection and prevention can prevent and stop up to 25 percent of those chronic illnesses. So if I do my math correctly, Mr. President, 25 percent of 2 million is 400,000 people. That's 400,000 people in the State of Connecticut, 400,000 people in the State of Connecticut in the year 2003 who could have been helped and had early detection of cancer or heart disease or any of those seven chronic diseases. And if those people had early prevention and let's put aside the obvious, which is in human toll, their lives are incredibly improved. If they're married with children, the lives of their spouses and children are improved because they don't have a mother or a father who may be dying of cancer, but now they have a mother or a father who is recovering and beating cancer.

Putting aside that human toll, think about the economic costs, think about the economic savings we have that 12.9 billion dollars in lost economic activity is cut by one-fourth. That's 3 billion

dollars in economic activity that we have in the State of Connecticut for a bill that may cost 20 to 25 million dollars. I would daresay if we have any economic proposal before us -- and Senator LeBeau as chairman of the Commerce Committee or any other member of this Circle, stood up and said friends, we can spend 20 to 25 million dollars and we'll get three billion dollars in economic activity, we would have a race to see who the first Senator to issue a press release was, Mr. President, because we would be that proud of that measure.

In addition to the 12.9 billion dollars in lost economic activity, there are almost two billion, 1.9 billion in direct costs associated with treatment of these seven chronic diseases. 1.9 billion dollars in directly treating those individuals , those 2 million individuals with these seven chronic diseases. You take 400,000 people out, you cut a quarter of that 1.9 billion dollars and I daresay we might not have as bad a budget deficit as we have right now, Mr. President, because we would have 4- to 500 million dollars more in our economy in the State of Connecticut.

Now why are we focusing on a tax credit for people

to get what may amount to an annual physical? Here's the reason. And I got to tell you this statistic wasn't surprising to me when I read it. Twenty percent of all Americans actually get an annual physical exam. Think about that. Twenty percent of people in this country actually get an annual physical exam. Now we know a lot more than 20 percent of people in this country have health care insurance. In the state of Connecticut, we have over 90 percent of the people that have health care insurance, yet a majority of people without health care insurance don't even get an annual physical.

And the reason why I wasn't surprised with this, Mr. President, is I actually probably went a little bit more than a decade between annual physicals. I'm not proud to admit that. And I won't disclose to the Circle what my physician told me about my decision not to get an annual physical. Let's just say she wasn't impressed with my intelligence. And she was right. Because when I last went and I turned 41, I believe, Mr. President. She looked at me and she said, you know, I don't have you on the charts here, how long has it been, I couldn't remember, we determined maybe

it was a little bit more than ten years, linked it back to when my wife and I had gotten married, which was almost 15 years ago. And she talked about all of the things that can happen to you as a male turning 40 and in your forties, starting with prostate cancer and a whole list of other things. Things that are on these seven chronic diseases. And what my life could have been had I been unfortunate enough to be stricken with one of those diseases. And when you get home and you imagine, wow, that was really stupid. That was really stupid. I have health care insurance, it doesn't take long to go to a doctor for an annual physical. All I had to do is set up the appointment, block some time away and go do it. But you know what, I didn't, Mr. President, and I have one of the best health care coverages anywhere.

And we now know, because of this University of Pittsburgh study , that only 20 percent, that's actually a remarkable figure, only 1 in 5 of us goes and has their annual exam. And I think we also know without even doing a study, we also know that if we were to provide financial incentives in the form of tax credits that are suggested in this Amendment, that

that number would increase from 20 percent.

And indeed, the Milken Institute study demonstrates that that number would increase. So we know, Mr. President, and I daresay that people can't object to the conclusion, that if we were to pass this tax credit we would lower the cost of health care in the State of Connecticut, we would increase economic activity in the State of Connecticut, we would save in the hundreds of millions of dollars and that's not even the good part, the good part is we would actually improve people's lives and save some lives, literally save people's lives. It's remarkable when you look at this seven chronic diseases, too and what some of the leading advocacy groups and research groups say about this very idea. The American Cancer Society, and let me just briefly quote: lifestyle changes and greater utilization of proven screening tests could prevent at least half of the cancer deaths. Proven screening tests could prevent half of the cancer deaths. So we have a test. We know how to screen and we can prevent half of the cancer deaths. The problem is you've got to get the person to go take the test. And sadly, some people are not.

Well, there are two ways we can do that, Mr. President. One is we could mandate it. We could require it. We could say in the State of Connecticut, you have to go get a physical every year. If you live here and you're a resident here, you have to go. Now, I'm not voting for that Amendment, Mr. President. I don't think anybody here would. So then you have to say well, if we're not going to force people to do it and we know people aren't doing it, how do you get there? You get there through financial incentives. And that's why this is such an important bill.

Mr. President, I'm just going to briefly wrap up my comments here. We've had a lot of debate about health care, from the preventive issues that I've talked about like the bone marrow testing, the cystic fibrosis screening. We've had a lot of talk about the health care pooling bill and the SustiNet bill. The health care pooling bill, which was intended to lower some costs for people that already have health care. SustiNet, which is to lead to a single payer system so everybody has health care. Neither of those provisions would lower health care costs overall and neither of those two provisions would actually protect

billions of dollars of lost economic activity in the State of Connecticut. that's why this approach is something that we must look at in the State of Connecticut, whether we have 90 percent of the people covered by health insurance or 100 percent in the State of Connecticut, our costs are still going up. The only way, the best way, the best way we can lower costs to the whole system, Mr. President, is if people are healthier, less sick and need less care in the health care system. The best way to do that is to prevent it from happening in the first place. That's why I rise in strong support of this Amendment. It is an idea that I believe we could all rally around. I want to thank Senator Debicella for his hard work on this. Let me just say, Mr. President, he and I have met on this issue now since probably January of 2008. He has put a tremendous amount of work into this. He has backed up his arguments with facts and figures and studies done by peer reviewed articles and deserves a lot of credit. Thank you, Mr. President.

THE CHAIR:

Thank you, Senator. Will you remark further on Senate D? Will you remark further? If not a roll

call vote has been requested on Senate D. if there are no further comments to be made, the Chair will ask the Clerk to announce that a roll call vote is in progress in the Senate. The machine is open. Senators may cast their vote.

THE CLERK:

Immediate Roll Call has been ordered in the Senate. Will all Senators please return to the Chamber. Immediate Roll Call has been ordered in the Senate. Will all Senators please return to the Chamber.

THE CHAIR:

Senator Boucher.

THE CHAIR:

Will all Senators please check the board to make certain that your vote is properly recorded. If all Senators have voted and all votes are properly recorded, the machine will be locked. Would the Clerk take a tally?

THE CLERK:

The motion is on adoption of Senate Amendment Schedule D.

Total number voting 36

Those voting Yea 12

Those voting Nay 24

Those absent and not voting 0

THE CHAIR:

Senate D is rejected.

Senator Looney.

SENATOR LOONEY:

Yes. Thank you, Mr. President. If that item might be passed temporarily.

THE CHAIR:

Motion is to pass temporarily. Is there objection? Seeing none, so ordered.

SENATOR LOONEY:

Yes. Thank you, Mr. President. Mr. President, the Clerk is in possession of Senate Agenda number two for today's session.

THE CHAIR:

Mr. Clerk, please call Senate Agenda number two.

THE CLERK:

Mr. President. Clerk is in possession of Senate Agenda number two for Wednesday, June 3rd, 2009, copies have been distributed.

THE CHAIR:

H – 1063

CONNECTICUT
GENERAL ASSEMBLY
HOUSE

PROCEEDINGS
2009

VOL.52
PART 27
8496 – 8825

we pass this item temporarily.

DEPUTY SPEAKER ALTOBELLO:

Without objection. Without objection, so ordered.

Would the Clerk please call Calendar 686.

One moment please. The House will stand at ease.

(Chamber at ease.)

DEPUTY SPEAKER ALTOBELLO:

Will be House please come back to order. Just before a short recess, I ask the Clerk to call Calendar 686 and it he would do so now, I'd appreciate it.

THE CLERK:

On page 25, Calendar 686, substitute for Senate Bill Number 1048, AN ACT CONCERNING BULK PURCHASING OF PRESCRIPTION DRUGS, favorable report of the Committee on Insurance and Real Estate.

DEPUTY SPEAKER ALTOBELLO:

Representative Ritter of the 38th District, you have the floor, madam.

REP. RITTER (38th):

Thank you, Mr. Speaker. I move for acceptance of

the joint committee's favorable report and passage of the bill in concurrence with the Senate.

DEPUTY SPEAKER ALTOBELLO:

The question before the chambers acceptance of the joint committee's favorable report and passage of the bill in concurrence with the Senate. Please proceed, madam.

REP. RITTER (38th):

Thank you, Mr. Speaker. Mr. Speaker, the Senate passed Senate Amendment A. The Clerk has the amendment LCO 7586. I would ask the Clerk to please call the amendment and that I be granted permission of the chamber to summarize.

DEPUTY SPEAKER ALTOBELLO:

Will the Clerk please call LCO 7586 which has been previously designated Senate A.

THE CLERK:

LCO Number 7586, Senate A, offered by Senator Harris.

DEPUTY SPEAKER ALTOBELLO:

Representative Ritter has asked the leave of the chamber to summarize. Without objection, seeing none, please proceed, madam.

REP. RITTER (38th):

Thank you, Mr. Speaker. Mr. Speaker, this amendment in line three inserts the Insurance Commissioner to the provisions of the original bill. I urge adoption.

DEPUTY SPEAKER ALTOBELLO:

The question before the chamber as adoption of Senate A. Would you remark further on Senate A? If not, I'll try your minds. All those in favor, please signify by saying, aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER ALTOBELLO:

Opposed.

The ayes have it. Senate A is adopted. Further on the bill as amended? Further on the bill as amended? If -- Representative Giegler.

REP. RITTER (38th):

Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Ritter, further on the bill as amended?

REP. RITTER (38th):

Mr. Speaker, yes. Before discussing the bill as fully adopt -- as fully amended by the Senate, I would

request permission pleased to discuss Senate Amendment B. The Clerk has an amendment, LCO 8431. I would ask the Clerk to please call that amendment and I be granted leave of the chamber to summarize.

DEPUTY SPEAKER ALTOBELLO:

Will the Clerk please call LCO 8431 which has been previously designated Senate B, I believe.

THE CLERK:

LCO number 8431, Senate B, offered by Senator Harris.

DEPUTY SPEAKER ALTOBELLO:

Representative Ritter.

REP. RITTER (38th):

Thank you, Mr. Speaker. Mr. Speaker, this amendment does a couple of things. It inserts the different language in lines 24 and 25, making technical corrections that clarify the bill. It goes on to add the provisions of two other bills that were heard and voted out of the Public Health Committee to this bill making the new bill a combination of three bills originating in the Committee on Public Health.

It also -- no. That's all, Mr. Speaker. I urge adoption.

DEPUTY SPEAKER ALTOBELLO:

The question before the chamber is adoption of Senate B. Representative Gibbons of the 150th, do you care to comment on Senate B? If not, I'll your minds. All those in favor, please signify by saying, aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER ALTOBELLO:

All those nay.

The ayes have it. Senate B is adopted.

Representative Ritter, further on the bill as amended?

REP. RITTER (38th):

Thank you, Mr. Speaker. Mr. Speaker, the Clerk is in possession of a final amendment, not yet voted on by the Senate. The Clerk is in possession of the LCO Number 8722. I would ask the Clerk to please call the amendment and I be granted leave of the chamber to summarize.

DEPUTY SPEAKER ALTOBELLO:

Will the Clerk please call LCO 8722, which shall be designated House Amendment Schedule A.

THE CLERK:

LCO number 8722, House A, offered by Representatives Ritter, Giegler, and Senator Harris.

DEPUTY SPEAKER ALTOBELLO:

Representative Ritter.

REP. RITTER (38th):

Thank you very much, Mr. Speaker. Mr. Speaker, this amendment strikes two sections in the previously adopted amendment, Senate B. It strikes Sections 501 and 503 in their entirety and asks that we remember the remaining sections and references accordingly. I urge adoption.

DEPUTY SPEAKER ALTOBELLO:

The question before the chamber is adoption of House A. Representative Gibbons, would you care to comment on House A, madam?

REP. GIBBONS (150th):

Yes. Thank you, Mr. Speaker. I'm trying to follow all the amendments to the underlying bill so I'm a little bit confused as to which I'm speaking on. But through you to the proponent of House A, please, could you tell me what stripping Section 501 from the original bill does to the original bill, please? Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Ritter.

REP. RITTER (38th):

Yes I can, Mr. Speaker. Through you, Mr. Speaker, Senate Amendment B added a Section 501 and House Amendment A is asking that that section be deleted. That section refers to current law on what are referred to as, never events. And it had asked that those sections-- that that information be shared with the Department of Social Services. Upon reflection in the Senate it was agreed that that, perhaps, might not be a good idea at this time and that section was suggested to be deleted. The second deletion in Senate B, that I am suggesting we delete from Senate B is Section 503. And Section 503 -- I'm trying, I'm struggling to read my notes -- was deleted at the request of the hospital association and for the reasons that they were not completely comfortable with the interpretation from the Department of Social Services regarding the Medicaid state plan. And they asked that this be deleted and I am suggesting we might concur. Thank you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Thank you. Representative Gibbons.

REP. GIBBONS (150th):

Thank you, Mr. Speaker. Through you, I see that Section 504 is still in House A. Through you, Mr.

Speaker, could you please describe what is and Section 504?

DEPUTY SPEAKER ALTOBELLO:

Representative Ritter.

REP. RITTER (38th):

Thank you, Mr. Speaker. Through you to the Representative, yes. It was originally my intention to be able to describe what will now be the remaining three sections to the bill once we are finished with the amendments. However, I can go ahead and describe that now as the Representative may wish.

That section disallows any medical practitioner from charging, billing or collecting from a patient or a third party for -- a third-party payer for any imaging procedures that were not performed by that practitioner or person under the direct supervision. Rather, the practitioner performing the procedure must directly bill either the patient or the appropriately responsible third-party payer. They may not bill the requesting practitioner. While this is a situation that has become more prevalent in other parts of the country, Mr. Speaker, it has yet to come to Connecticut and this bill is basically being requested as a preventative measure, ultimately protecting the

paying public from the possibility and opportunities that they would be build more than once for the same procedure. Thank you.

Mr. Speaker, I can also add that this was originally Senate Bill 1047, a bill that came to the Committee on Public Health. It was heard and voted out of that committee. As I suggested earlier, it has now been combined into this bill. Thank you, Mr. Speaker.

REP. ALTOBELLO (82nd):

Thank you, ma'am.

Representative Gibbons.

REP. GIBBONS (150th):

Thank you, Mr. Speaker. I'm going somewhat out of my territory right now, but if I understand that Section 504 deals with MRIs for patients and their billing practices. Is that correct? Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Ritter.

REP. RITTER (38th):

Thank you, Mr. Speaker. MRIs are one of the imaging procedures that would be covered by this bill. That is correct.

DEPUTY SPEAKER ALTOBELLO:

Representative Gibbons.

REP. GIBBONS (150th):

I thank the Representative for her answer. And here once again, I'm wondering if this is germane to the underlying part of the bill which deals with bulk purchasing of drugs. As I say, I'm getting out of my leadership responsibilities, or not, to ask if it is germane, but I would like to ask that question of you, Mr. Speaker.

A VOICE:

Was it already adopted?

REP. GIBBONS (150th):

It was not -- it has not been voted on. This is a new one. Yes. Through you, Mr. Speaker, I would like to ask how -- if an amendment dealing with MRIs and magnetic imaging is germane to the underlying bill. It's a point of order, please, Mr. Speaker, with deals of bulk purchasing of drugs. Through you, Mr. Speaker -- or to you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Ma'am, are you requesting a ruling from the chair? On germaneness?

REP. GIBBONS (150th):

Yes, I am, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Thank you.

House will stand at ease.

(Chamber at ease.)

DEPUTY SPEAKER ALTOBELLO:

House will come back to session.

REP. GIBBONS (150th):

Thank you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Thank you. Representative Gibbons, you'd asked for a ruling regarding whether or not House A was germane. House A merely strikes two sections of the bill. It doesn't add anything at all to the bill.

REP. GIBBONS (150th):

All right. Thank you, Mr. Speaker. The amendments were coming so fast and furious I wasn't so sure what was included or what was part of the bill at this point. So I will wait until we get the whole bill and then I'll ask my questions. I appreciate the ruling of the chair.

REP. ALTOBELLO (82nd):

Would you wish to withdrawal your request for a ruling, madam?

REP. GIBBONS (150th):

I'm sorry. Would you repeat what you asked, please?

DEPUTY SPEAKER ALTOBELLO:

Would you wish to withdraw your request for a ruling, madam?

REP. GIBBONS (150th):

Yes, please. I would like to withdraw my request. Thank you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Great. Thank you very much.

Further on House A? Further on House A? If not, I'll try your minds. All those in favor, please signify by saying, aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER ALTOBELLO:

Opposed.

The ayes have it. House A is also adopted.

Representative Ritter, you're busy this afternoon. You have the floor, madam.

REP. RITTER (38th):

Thank you, Mr. Speaker. Mr. Speaker, this bill as adopted is a combination of three bills that originated in the Committee of Public Health, all surrounding issues regarding cost-containment and in the health-care field's. And I will review the sections in order.

Section 1 originally Senate Bill 1048 requires that the Commissioners of the Department of Social Services admit insurance and administrative services along with the controller, work with the department of public health to develop a plan to purchase pharmaceuticals about. The program is intended to aggregate purchases for pharmaceuticals for the programs Husky Part B, saga, the Charter Oak Plan and ConnPACE participants, along with the Department of Corrections inmates and people insured via various state employees and municipal employee health insurance plans.

The plan must address the State joining an existing Medicaid drug purchasing pool and it must examine the feasibility of adopting the Department of Social Services preferred drug list for some or all of these programs. The plan must be submitted to the legislative Committees on Public Health,

Appropriations and Human Services by December 31st of 2009. The second part of the bill, Mr. Speaker, formally Senate 45, now section 501 specifies that no hospital outpatient surgical facility shall seek payment for any added costs due to a specified hospital acquired condition irregardless -- of the source of payment. These are the so-called never events. These events were selected by the Medicare program beginning in 2007 as reasonably preventable events selected by following evidence based guidelines that are either costly or common. The third section, Mr. Speaker, I have already discussed and would be happy to entertain any further questions.

As I spoke to the point earlier, Mr. Speaker, these three bills were combined by the Senate and the theme for these three bills are they all center around issues of potential for cost-containment and more efficiency in the health delivery system. I urge adoption.

DEPUTY SPEAKER ALTOBELLO:

Question before the chamber is adoption of the bill as amended. Representative Giegler of the 138th, you have the floor, madam.

REP. GIEGLER (138th):

Thank you, Mr. Speaker. A question to the cochair of the Public Health Committee, please.

DEPUTY SPEAKER ALTOBELLO:

Please proceed, madam.

REP. GIEGLER (138th):

Through you, Mr. Speaker, the bill that's presently before us, 1048 on bulk purchasing, is it now not a combination of three previous bills that were brought before the Public Health Committee, 1045, 1047 and 1048?

DEPUTY SPEAKER ALTOBELLO:

Representative Ritter.

REP. RITTER (38th):

Mr. Speaker, yes.

DEPUTY SPEAKER ALTOBELLO:

Representative Giegler.

REP. GIEGLER (138th):

Thank you, Mr. Speaker. The bill before us, I believe the intent of this bill is to get purchasing agencies together to determine if savings can be achieved by cooperative funding. Does this bill before us actually save dollars?

DEPUTY SPEAKER ALTOBELLO:

Representative Ritter.

REP. RITTER (38th):

Thank you, Mr. Speaker. This would be Section 1 of the bill, I believe that Representative Giegler is addressing when she speaks to the bulk purchasing plan. I would like to point out before answering the question definitively that the bill calls that we develop a plan to put together a bulk purchasing program. Stated agencies -- or stated programs are to be included in the plan as well as the opportunity -- address the opportunity for the state to join an existing Medicaid purchasing program. The plan is asked to examine the feasibility of doing this and to submit its recommendations to the General Assembly by 31st December. Those recommendations would include opportunities to save money, opportunities to gain efficiencies in the system and I would answer yes to it would indeed contemplate what the Representative is asking.

DEPUTY SPEAKER ALTOBELLO:

Representative Giegler.

REP. GIEGLER (138th):

Thank you, Mr. Speaker. This bill is drafted as implemented as a plan. Isn't it done without knowing if there actually is going to be savings to the State

of Connecticut?

DEPUTY SPEAKER ALTOBELLO:

Representative Ritter.

REP. RITTER (38th):

Thank you, Mr. Speaker. Mr. Speaker, I would submit first a general answer to that question and that is just speaking in favor of the goal of planning with the potential opportunity to both save money and increase of efficiencies, something I hope that we are doing on a daily basis. And if the Representative is concerned that we're not, I would agree that it's even better that we have this bill to do it. I would also like to draw her attention to lines -- beginning on line 19, where it states the specific components of the plan that must be submitted by the Commissioner on Social Services, that would detail anticipated costs or savings resulting from the implementation and maintenance of this plan. And also goes on to ask that proposed legislative recommendations necessary to do so be presented by December 31st. I hope that answers her question, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Giegler.

REP. GIEGLER (138th):

Thank you, Mr. Speaker, and another question. Did DAS and OPM not desire a feasibility study prior to implementation of a plan?

DEPUTY SPEAKER ALTOBELLO:

Representative Ritter.

REP. RITTER (38th):

Thank you, Mr. Speaker. Mr. Speaker, there is some background and history to this request. I have myself had the opportunity to serve on both the Committee on Public Health and the Committee on Appropriations. And for several years this request has been discussed in detail with the commissioners that the Representative just mentioned, along with the opportunities for those commissions to report back to the General Assembly of the provisions that are being requested by this bill. And consequently, I would submit that at this point it was the end to be a bit more forceful, perhaps to request an actual plan rather than a continued discussion in less general terms of this feasibility. Thank you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

And Representative Giegler.

REP. GIEGLER (138th):

Thank you, Mr. Speaker. I thank the chair for

her answers and I just have one more. Will this bill before us put our federal match dollars in jeopardy?

DEPUTY SPEAKER ALTOBELLO:

Representative Ritter.

REP. RITTER (38th):

Thank you, Mr. Speaker. I am not aware of any opportunity for that to occur.

DEPUTY SPEAKER ALTOBELLO:

Representative Giegler.

REP. GIEGLER (138th):

I thank you, Mr. Speaker and I think the Chair from the Public Health Committee for her efforts and hard work on this bill. At this point, I have concerns about whether it is in fact savings to the State. And at this time I don't think I'll be supporting the bill as written. Thank you.

DEPUTY SPEAKER ALTOBELLO:

Thank you, madam.

Representative Klarides of the 114th, you have the floor, madam.

REP. KLARIDES (114th):

Thank you, Mr. Speaker. If I may, Mr. Speaker, through you, I have a few questions of the Chairwoman of the Public Health Committee.

DEPUTY SPEAKER ALTOBELLO:

Please proceed, madam.

REP. KLARIDES (114th):

Thank you, Mr. Speaker. To follow up a little bit on my fellow ranking member's questions, the existing Medicaid pharmaceutical purchasing pool that we are speaking of, we are joining that pool. Is that how this works? Through you.

DEPUTY SPEAKER ALTOBELLO:

Representative Ritter.

REP. RITTER (38th):

Thank you, Mr. Speaker. The bill before you asks that the plan include the opportunity that the State join an existing multistate Medicaid pharmaceutical purchasing plan. Yes.

DEPUTY SPEAKER ALTOBELLO:

Representative Klarides.

REP. KLARIDES (114th):

Thank you, Mr. Speaker. And through you, an existing plan and this is just for my own clarification because I'm not certain what the answer is to this, an existing plan, is there actually an existing plan or does this contemplate a plan existing at some point in the future? Through you.

DEPUTY SPEAKER ALTOBELLO:

Representative Ritter.

REP. RITTER (38th):

Thank you, Mr. Speaker. Mr. Speaker, it is my understanding that there are two or three existing multistate purchasing plans for Medicaid. The State of Connecticut right now does not directly do that through DSS. The purpose of the plan would be to contemplate potential advantages we might realize by doing so.

DEPUTY SPEAKER ALTOBELLO:

Representative Klarides.

REP. KLARIDES (114th):

Thank you, Mr. Speaker. And if the chairwoman can just give us an example of who might be part of one of these pools, through you.

DEPUTY SPEAKER ALTOBELLO:

Representative Ritter.

REP. RITTER (38th):

Thank you, Mr. Speaker. I can tell you, Mr. Speaker, that I'm aware of a program that is run to the State of Minnesota. There are others and as I said, because the State of Connecticut does not choose to participate or gain possibly some of the advantages

of these pools, I'm perhaps, not as familiar with all of the states that do so. Thank you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Klarides.

REP. KLARIDES (114th):

Thank you, Mr. Speaker and through you, would -- does this bill contemplate us joining -- I believe it contemplates joining an existing pool or does it also gives the option of forming a new pool with other states? Through you.

DEPUTY SPEAKER ALTOBELLO:

Representative Ritter.

REP. RITTER (38th):

Thank you, Mr. Speaker. The plan contemplated that this bill, I do not believe, would preclude any such discussion of the State of Connecticut forming its own pool. However, I would like to point out the strong feeling in discussing this bill that we very now may well be able to obtain greater advantages in joining an existing plan. And, that would be part of the discussion and recommendations to the Legislature. Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Klarides.

REP. KLARIDES (114th):

Thank you, Mr. Speaker. And through you, I presume that in discussing this bill and putting this bill together, the whole purpose would be to, obviously save money as was mentioned before. So through you, would be chairwoman have that information from other states on how they saved money doing this? Through you.

DEPUTY SPEAKER ALTOBELLO:

Representative Ritter.

REP. RITTER (38th):

Thank you, Mr. Speaker. Mr. Speaker, I do not have before me information about how other states and how much money they are able to save through this. It's my opinion that would be something we would be looking to the information obtained through this plan and study to get an idea of what it could do for the State of Connecticut. The advantages, Mr. Speaker, of bulk purchasing are fairly well known and experienced across a variety of health-care providers. In many cases here in the General Assembly, we have talked about those advantages. Perhaps likening them to the advantages of any individuals could also realize by making their purchases in bulk or over a period of

time through a variety of different contracts. Thank you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Klarides.

REP. KLARIDES (114th):

Thank you, madam -- Mr. Speaker. Whew. I didn't mean anything by that.

Through you, Mr. Speaker, I guess it's -- it seems a little strange to me that we would contemplate going into a program with, clearly, the idea that we would save the State money which is a laudable idea and an idea that I think everybody agrees with. But I'm curious if we have done any study, if there's been any study done in the State, whether in the Committee or in the Legislature to lead us to the conclusion that this would be something beneficial to the State of Connecticut. Through you.

DEPUTY SPEAKER ALTOBELLO:

Representative Ritter.

REP. RITTER (38th):

Thank you, Mr. Speaker. Mr. Speaker, as I mentioned earlier, there has been and I have been a part of discussion over the years in various committees, requesting information on both the

feasibility, the advisability and the opportunities to receive information from these agencies about doing just that. Consequently, Mr. Speaker, that is what has led to the bill before us.

DEPUTY SPEAKER ALTOBELLO:

Representative Klarides.

REP. KLARIDES (114th):

Thank you, Mr. Speaker.

To go to another part of this bill, I know that my colleague had mentioned several other bills that have been contemplated in making this final determination to present this bill. If the chairwoman, through you, can explain to us what the concepts of those other bills were. Through you.

DEPUTY SPEAKER ALTOBELLO:

Representative Ritter.

REP. RITTER (38th):

Thank you, Mr. Speaker. Rather than repeat my initial comments, I will briefly describe the remaining two sections of this bill. The second section the newly numbered 501 speaks to the med -- what are defined as never events. And these are events, to give you a little background to the Representative, beginning in 2003, the centers for

Medicare and Medicaid studies selected a group of conditions that they defined as never events.

And the purpose for doing that was that these are events that they had discovered through examination of the huge number of records and data they received from hospitals and surgical centers across the country that one way or another came from either incidents or accidents and hospitalization that ended up increasing the costs. In many cases, the adverse effects from these actions would either result in perhaps multiple procedures required, longer hospital stays. In many cases, the complexity of the treatments were increased, sometimes diagnostic procedures, in order to determine exactly what was going on.

So in 2007, the first eight of these items were first defined and Medicare instituted a policy whereby they would not be paying the hospitals for the additional costs that were created by these incidences. In 2000 and, three more were added to the list. The Representative might also remember that in one of the earlier deficit mitigation plans that we passed this year about the State of Connecticut chose to add Medicaid, state-run Medicaid to the -- excuse me -- to the third-party payers that would no longer

be expecting reimbursement based on any of these so-called never events. This section of the bill clarifies that that will be extended to all hospital and outpatient surgical centers across all patients, independent of their payer status, whether it be through private insurance or through individual payment.

The final section of the bill and you may recall my discussion earlier discusses the potential for various billing practices for imaging procedures that were not performed by the practitioner or person doing the billing. This provision will ultimately place the State of Connecticut in a situation where this will not become prevalent in the State of Connecticut and is seen largely as a preventative measure. Thank you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Klarides.

REP. KLARIDES (114th):

Thank you, Mr. Speaker and I thank the chairwoman for her answers. You know, we have -- when we have bills that say things like bulk purchasing power or ideas that we have that we presume will save money, certainly I think everybody in this chamber can agree

with that. I guess my concern with this bill, and off the bat, it's something that I think is a great idea and it's something that we need to look at in a lot of things that we do, saving money as much as possible, consolidating, grouping people together, grouping things together.

Having said that, I find it difficult to support something that has the potential. We should have done a study on this to see how it actually would affect the State of Connecticut. We've looked at feasibility studies. We've looked at accessibility. We've looked at lots of different issues, but we haven't looked at the actual cost and the savings for the State of Connecticut. I know we all hope it will. I certainly hope it will go to put something in place on hope, I don't really think is a great precedent to set in this chamber. Thank you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Thank you, madam. Representative Gibbons of the 150th, you have the floor, madam.

REP. GIBBONS (150th):

Mr. Speaker, thank you. Through you, Mr. Speaker, I've got a couple of questions to the proponent of the bill.

DEPUTY SPEAKER ALTOBELLO:

Representative Ritter, please prepare your self.

REP. GIBBONS (150th):

Thank you. Through you, Mr. Speaker, do any of the recipients of pharmaceuticals under the programs listed, Husky, Charter Oak, ConnPACE, receive their pharmaceuticals now from a private pharmaceutical plan or are they all from a state administered plan and the same state administered plan? Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Ritter.

REP. RITTER (38th):

Mr. Speaker, it is my understanding that those pharmaceutical plans are currently carved out from those programs and beyond that, I am not completely -- I don't believe I can answer the question any further.

DEPUTY SPEAKER ALTOBELLO:

Representative Gibbons.

REP. GIBBONS (150th):

Through you, Mr. Speaker, I guess the reason I ask and I'm not sure of the answer myself, some ConnPACE recipients, I thought, got their drugs and possibly through AARP or through some private

programs. And my question is, is how is a plan that is going to be state run or state-sponsored going to incorporate all the different private companies that might be involved with delivering pharmaceuticals to these participants. Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Ritter.

REP. RITTER (38th):

Thank you, Mr. Speaker. Perhaps I can clarify a little bit. The ConnPACE would possibly be beneficially affected by this. Any private insurance group plans that would include the one that the Representative mentioned about the AARP, would not be affected.

REP. ALTOBELLO (82nd):

Representative Gibbons.

REP. GIBBONS (150th):

Thank you, Mr. Speaker. Through you, so to digest that, that means that if a ConnPACE recipient received his or her drugs through AARP, he or she would continue to do so, or would AARP be forced to join this group purchasing consortium? Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Ritter.

REP. RITTER (38th):

Thank you, Mr. Speaker. No, independently offered insurer would be forced to join, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Gibbons.

REP. GIBBONS (150th):

Thank you. And, again, you're asking for a multistate Medicaid pharmaceutical purchasing pool. Through you, Mr. Speaker, would that multistate purchasing pool be scattered throughout the United States or is it just in New England or do you know what we would then join? Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Ritter.

REP. RITTER (38th):

Mr. Speaker, I would like to bring the Representative back to the purpose of the bill which is to provide a plan for examining these opportunities. There is, I believe, no reason to think that that could not happen.

REP. ALTOBELLO (82nd):

Representative Gibbons.

REP. GIBBONS (150th):

Thank you. And one last question I have, when this plan is brought back to, I guess the Legislature or, certainly to, I guess, it's the committees of cognizance, is there going to be any requirement that the State and join it, or how is that decision going to be made that this plan is going to be a benefit to the State both economically and drug-wise. Thank you. Through Mr. -- you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Ritter.

REP. RITTER (38th):

Mr. Speaker, that would be up to the General Assembly.

REP. ALTOBELLO (82nd):

Representative Gibbons.

REP. GIBBONS (150th):

Thank you, Mr. Speaker and I thank the chairwoman for her answers.

REP. ALTOBELLO (82nd):

Representative Miner of the 66th district, you have the floor, sir.

REP. MINER (66th):

Thank you, Mr. Speaker and I will be brief. I had a question back when the bill, I think, was in

Appropriations relative to this never event and I wanted to be sure. I've read this amendment a couple of times and I just want to be sure what the implications of the bill are. If an individual had an operation at hospital A and needed to have another operation to correct something that was done at hospital A at hospital B, I want to be sure that hospital B, under the way this is drafted would be able to, in fact, bill for that correction. That this is strictly me to restrict hospital A for rebilling for work that it might not have done the right way to first time. Through you, please.

DEPUTY SPEAKER ALTOBELLO:

Representative Ritter.

REP. RITTER (38th):

Through you, Mr. Speaker, the Representative is correct.

REP. ALTOBELLO (82nd):

Representative Miner.

REP. MINER (66th):

I'm very happy. Thank you. Thank you, madam.

DEPUTY SPEAKER ALTOBELLO:

As am I. Representative Candelora of the 86th, you have the floor, sir.

REP. CANDELORA (86th):

Thank you, Mr. Speaker. If I might, a couple of questions to the proponent of the bill.

DEPUTY SPEAKER ALTOBELLO:

Please proceed, sir.

REP. CANDELORA (86th):

Thank you, Mr. Speaker. As I read the bill and I'm looking at some of the reports. I know there was some discussions were concerns that this isn't actually creating a study for a plan or determination of feasibility, that it's actually implementing a plan. But as I read the bill I'm not sure if that really is the case and I was just wondering if I could get some clarification on that. Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Ritter.

REP. RITTER (38th):

Thank you, Mr. Speaker. Mr. Speaker, the bill calls for a plan to be submitted to the committees of cognizance of the General Assembly for their approval. There are some specific items the bill is asking the plan to address. Among them about the economics and the feasibility and the efficiency of making some of

these changes. Those will be available to the General Assembly in its deliberations. Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker. And where -- I don't see the words of approval by the committees, but as I'm reading this, I'm reading lines 21 through 24 in which there are proposed legislative recommendations that would be necessary to implement the plan.

And I'm -- is that where the good Representative is reading that the Legislature would need to make approvals? Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Ritter.

REP. RITTER (38th):

Thank you, Mr. Speaker. I am looking at lines 17 through 26, I believe. Yes -- which includes the deadline and yes, that would be my interpretation.

REP. ALTOBELLO (82nd):

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker. And through you, Mr.

Speaker, if the plan does not require any further legislation, with the committees of cognizance need to still approve this plan? Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Ritter.

REP. RITTER (38th):

Mr. Speaker, I cannot speak in advance for the actions of any of the committees of cognizance. I can tell you that it's been my experience as a member of several of these committees of the cognizance that when the plan is that we not do something, we don't usually approve it. Thank you, Mr. Speaker.

REP. ALTOBELLO (82nd):

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker. Specifically, in those lines 21 through 26, as part of the plan, as part of the -- as part to implement the plan, it's requiring that the agency make recommendations for legislative changes. So if there are no legislative changes required in order to implement the plan, would the agencies need to take any further action? Is that mandated under this bill? Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Ritter.

REP. RITTER (38th):

Thank you, Mr. Speaker. Is my understanding that Representative wishes to know what action the committee of cognizance and the Legislature would take if the plan did not submit any recommendations and I would like to ask if I understand the question correctly. Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Candelora.

REP. CANDELORA (86th):

Yes, Mr. Speaker. That is my question.

REP. ALTOBELLO (82nd):

Representative Ritter.

REP. RITTER (38th):

Mr. Speaker, as I stated before, I can't speak with certainty right now about what -- about the actions of any of our committees of cognizance or this General Assembly about an event that could happen after next December 31st of next year.

I would like to go back to the purpose of the bill. The purpose of the bill is to ask that these agencies together study the opportunities that may exist around these and to then present their

recommendations to the legislature. They may or may not either have positive recommendations to submit to the Legislature, have negative recommendations or to have any recommendations to the Legislature. So it is a little difficult to determine what their action would be at this time, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker and I appreciate the answers. I think I understand. And I guess, just getting back to lines 3 and 4, where the commissioners are to get together and develop a plan, so they're required to develop a plan and in that plan they would be required to have an implementation program and also have a maintenance program as outlined in number 1. But it -- as the bill is written then, it merely requires that they develop a plan, but not necessarily implement that plan. Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Ritter.

REP. RITTER (38th):

Mr. Speaker, yes.

DEPUTY SPEAKER ALTOBELLO:

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker. So then it's contemplated once, a plan is created that there would be some further action necessary. In order for it to be instituted, the commissioners would not be able just to put this plan in place without further legislative action. Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Ritter.

REP. RITTER (38th):

Mr. Speaker, the answer is yes and I would direct the legislator's attention to lines 21 through 26 of the bill that.

DEPUTY SPEAKER ALTOBELLO:

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker and that is where I guess my underlying question then comes into play because I can envision the commissioners getting together and creating a plan to implant and a plan to maintain this program. And they may be able to do so without any additional legislative action.

And so if there is no proposed legislative

recommendations in the plan, then Section 4 would require no action by any of the committees of cognizance. Am I correct in reading that? Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Ritter.

REP. RITTER (38th):

Thank you, Mr. Speaker. That very well may be.

DEPUTY SPEAKER ALTOBELLO:

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker. So if that situation did occur where there was no further changes needed to our legislation, then the commissioners could, in their discretion if they choose, to implement such a plan. Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Ritter.

REP. RITTER (38th):

Thank you, Mr. Speaker. It's my understanding that commissioners may do that now.

DEPUTY SPEAKER ALTOBELLO:

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker. I appreciate the answers and I did see -- I have one last question. In the joint favorable report, there was a comment made that CMS has never approved a purchasing pool to combine Medicaid patients. And if I could just get a clarification on that, would we need to get some other approval in order to do this or can the State implemented it? I do realize that that was just was just testimony, but if I could just get clarification. Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Ritter.

REP. RITTER (38th):

Thank you, Mr. Speaker. Mr. Speaker, I am not sure if we would have to gain approval as to the mechanism used to purchase these drugs. I would think, perhaps not, but again I am not sure.

DEPUTY SPEAKER ALTOBELLO:

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker. And just, I would assume that if approval is necessary, that certainly would need to be part of the plan. Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Ritter, do you care to comment further?

REP. RITTER (38th):

As I would, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker. And I appreciate the Representative's answers to my questions.

DEPUTY SPEAKER ALTOBELLO:

And we thank you, sir.

Further on the bill as amended? Further on the bill as amended by Senate A and House A and Senate B and likewise and so forth? If not, staff and guests please retire to the well of the House. Members take your seats. The machine will be open.

THE CLERK:

The House of Representatives is voting by roll call. Members to the chamber. The House is voting by roll call. Members to the chamber.

Deputy Speaker Orange in the chair.

DEPUTY SPEAKER ORANGE:

Have all the members voted? Have all the members voted? Please check the board to determine if your code has been properly cast. If so, the machine will be locked and the Clerk will take a tally. And the Clerk will announce the tally, please..

THE CLERK:

Senate Bill 1048, as amended by Senate A and B and House A.

Total Number Voting	146
Necessary for Passage	74
Those voting Yea	129
Those voting Nay	17
Those absent and not voting	5

DEPUTY SPEAKER ORANGE:

The bill as amended passed.

Will the Clerk please call Calendar Number 658.

THE CLERK:

On Page 20, Calendar 658, substitute for Senate Bill Number 897, AN ACT CONCERNING TIMESHARES, favorable report of the Committee on Judiciary.

DEPUTY SPEAKER ORANGE:

Representative Stephen Fontana, you have the floor, sir.

JOINT
STANDING
COMMITTEE
HEARINGS

INSURANCE AND
REAL ESTATE
PART 7
1938 - 2261

2009

State of Connecticut

NANCY WYMAN
COMPTROLLER

MARK E OJAKIAN
DEPUTY COMPTROLLER

Hartford

Testimony Before the Insurance and Real Estate Committee
Public Health Committee
Human Services Committee
State Comptroller Nancy Wyman
March 2, 2009

HB 6600
SB 1048

Good morning Chairman Crisco, Chairman Fontana, Senator Caligiuri, Representative D'Amelio and distinguished members of the Insurance and Real Estate Committee, Chairman Doyle, Chairman Walker, Senator Kane, Representative Gibbons and distinguished members of the Human Services Committee and Chairman Harris, Chairman Ritter, Senator Debicella, Representative Giegler and distinguished members of the Public Health Committee. I am State Comptroller Nancy Wyman and I would like to thank you for the opportunity to testify before the Joint Committees on several initiatives.

As you our legislative leaders continue the necessary debate on healthcare reform, I am encouraged by the wealth of innovative ideas and practical solutions being generated around this complex issue. The thoughtful dialogue that is now occurring, both here in Connecticut and in the halls of Congress, demonstrates the pressing need to transform our healthcare system at a time when so many are facing economic uncertainty.

Each of us is aware of the enormity of this mounting problem. There are 46 million citizens uninsured in America. More than 8.6 million of those that go without are children, mostly from working, low-income families. The enormous expense of this broken system is a staggering $2.3 trillion per year and threatens to have serious long term negative impacts on our economy.

The costs are already measured in more than dollars and cents –a study out earlier this year reported that the lack of health insurance results in a loss of three lives each week in Connecticut alone. The serious, life threatening nature of this issue has led a new survey to conclude that 82% of Americans want sweeping and fundamental reform.

Elected officials grasp the significance of the problem and have offered numerous legislative initiatives to secure coverage for individuals unable to afford care.

I would like to take the opportunity to comment on **House Bill 6582, "An Act Establishing the Connecticut Healthcare Partnership."** As many of you know, I have been a support of purchasing health insurance through pools that allow smaller employers to achieve the advantages that large employers have of spreading their health care

The Sustinent Plan provides for the creation of a model for the use of medical homes for coordinating patient care and developing a system for electronic medical records. These are two concepts that my office is working on with our state employee and retiree health plans.

I do want to note a number of concerns that I have with this proposal. The bill provides for the creation of a separate, non-lapsing account within the general fund and provides that any investment income from those funds would remain within the restricted account and not be credited to the general funds. I note this because during this current fiscal climate, the Legislature needs to be cognizant of the impact to the State in terms of lost revenue to the general fund. In addition, it would appear that the Office of the State Comptroller would be subordinate to a quasi-public entity with respect to matters that are within the scope of the office.

I would also ask that as you consider this legislation that you assess the full impact on the State and our municipalities, such as the collective bargaining rights of municipalities that have not been addressed. Lastly, the economic downturn has forced businesses and government alike to look at how we do business and whether or not we are operating in the most effective and efficient manner. We need to be mindful that we do not create redundant layers government when we could be focusing on better coordinating the resources that we currently have.

I would also like to comment on **House Bill 1048, "An Act Concerning Bulk Purchasing of Prescription Drugs."** I applaud the Chairs of the Public Health Committee for attempting to tackle an issue that faces so many Connecticut families. This legislation requires the Commissioners of Public Health and Social Services and the Comptroller to develop a plan to combine the purchasing powers of certain state-sponsored prescription drug programs to lower the ever increasing cost of medication to those populations.

Unfortunately, there are a number of barriers that prevent the merging of Medicaid and Non-Medicaid populations. I welcome the opportunity to work with the Chairs to study the impact of combining the Non-Medicaid groups, such as inmates in our correctional facilities, ConnPACE and Charter Oak, with the state employee plan to find savings in greater purchasing power.

As we embrace a new administration and new Congress I am hopeful that our government's willingness to make health care a top priority will result in reform that addresses the pressing needs of our population. All of us understand that our nation's healthcare dilemma will most certainly be costlier if we do not act with bold ideas now.

Thank you for the opportunity to comment on these proposals.

OFFICE OF THE
HEALTHCARE ADVOCATE
STATE OF CONNECTICUT

Testimony of Kevin Lembo, State Healthcare Advocate
Before the Public Health, Insurance and Real Estate and Human Services Committees

***In Support of* HB 6582, SB 1022, SB 1045, SB 1046, SB 1049, SB 1050, SB 819, HB 6600**
***In Partial Support of* HB 5172, SB 988, HB 6417, SB 1048**
***In Opposition to* SB 990, SB 992**

March 2, 2009

Good morning distinguished members of the Public Health, Insurance and Real Estate and Human Services Committees. For the record, my name is Kevin Lembo, and I am the State Healthcare Advocate. The Office of the Healthcare Advocate ("OHA") is an independent state agency with a three-fold mission: assuring managed care consumers have access to medically necessary healthcare; educating consumers about their rights and responsibilities under health insurance plans; and, informing you of problems consumers are facing in accessing care and proposing solutions to those problems.

INSURANCE

Bills We Support

1) **HB 6582**, *An Act Establishing the Connecticut Healthcare Partnership*

OHA supports the creation of the Connecticut Healthcare Partnership. H.B. 6582 seeks to provide coverage for public employees and employees of certain nonprofit employers in the state of Connecticut by allowing these employees to enroll in the State of Connecticut employee plan, effectively expanding the State of Connecticut employee pool which should increase the state's leverage in bargaining with insurers, but also decrease the number of uninsured in the state of Connecticut.

H.B. 6582 is one of several promising proposals circulating through the Capitol for committee action. The goals of this bill are good and the bill needs to be examined in tandem with similar and already enacted laws involving public employees such as MEHIP.

SB 1049 adopts the provisions of the successful Massachusetts law prohibiting almost all gifts from pharmaceutical and medical device companies to health care providers and their employees. Samples and payments for participating in clinical trials would still be permitted under SB 1049. This is especially important for those patients who do not have insurance and for ongoing medical research.

SB 1049 also requires the disclosure or certain financial assistance to providers from pharmaceutical manufacturers and medical device companies for scholarships or other educational funds to permit medical students, residents, fellows and other health care professionals in training to attend educational conferences.

4) **SB 1050** – *An Act Concerning the Establishment of an Academic Detailing Program*

OHA supports the establishment of an academic detailing program to educate providers on the details, including the costs and benefits of new medications. Such education is necessary to ensure ongoing unbiased medical education for providers on newer pharmaceuticals. Allowing for continuing medical education credit detailing education should provide the incentive providers need to obtain unbiased education about newer pharmaceuticals. The bill allows the Commissioner of DPH to seek non-governmental funding for the program and encourages the Commissioner to work with DSS to seek Medicaid reimbursement for the program.

4) **HB 6600** – *An Act Concerning the Establishment of the SustiNet Plan*

OHA supports the establishment of SustiNet. So many people worked very hard to put this piece of legislation together, and they deserve praise from all of us. The development of the proposal is consistent with the federal movement to expand health insurance availability. SustiNet, like the Connecticut Health Partnership and the work of the HealthFirst Authority have brought together some of the best minds in the state and country to tackle the critical need for healthcare reform in Connecticut.

The SustiNet proposal contains many sound ideas based the adoption of the Institute of Medicine's principles of healthcare reform. Section 16 authorizes OHA to develop and update the model benefit packages and to recommend guidelines for establishing an incentive system to recognize employers that provide health benefits equal to or greater than the model plan. The inclusion of our office in Section 16 is an appropriate evolution of our work and is keeping with the spirit of our office's creations. We will work with OFA and the legislature to craft a fiscal note for the section.

Please note that on line 1170 of the bill, the word "contact" should read "contract".

Bill that We Partially Support

1) **SB 1048**. An Act concerning Bulk Purchasing of Prescription Drugs

OHA partially supports SB 1048. We must examine the benefits of bulk purchasing of drugs across all state programs—it is long overdue. This bill directs the Comptroller, the Commissioner of DPH and the Commissioner of DSS to develop a program, but it gives DSS the duty to submit the plan in consultation with the Comptroller and the DPH Commissioner. This bill is markedly better than SB 922 by involving other state purchasers of drugs in plan development. However, the expertise for development of such a plan likely resides outside of state government. We recommend that such a study be undertaken, but the state should consider the hiring of outside experts to complete it and make recommendations to the legislature for eventual adoption of a joint purchasing strategy for pharmaceuticals.

Thank you for attention to my testimony. If you have any additional questions or need additional information, please contact me at (860)297-3989 or Vicki Veltri, General Counsel, at (860)297-3982 or Victoria.veltri@ct.gov.

JOINT
STANDING
COMMITTEE
HEARINGS

PUBLIC
HEALTH
PART 4
932 - 1237

2009

make it up here today. He's a physician. But that was something that when we passed this in public health community and said that -- we're hearing that's kind of common. Let's figure out what we can do to try to improve that.

So these lists get very complicated and very intricate but I will provide you with that information and hopefully continue this conversation.

SENATOR HARRIS: Thank you, Jim. I appreciate it. Next, we're going to go on to Senate Bill 1046. We have Marjorie Powell followed by Randy Frankel and then Paul Pescatello. And I believe Ms. Powell -- there is a little bit of confusion in your sign up that you were told just to sign up once as opposed to for several bills. So, even though we are going bill by bill today, and I want to make sure everyone up there knows that. The rules we're proceeding under, because of the confusion, we'll give you the ability to talk on several bills.

SB1046
SB1049
SB1048
SB1050

MARJORIE POWELL: Thank you, Mr. Chair, members of the Committee. I especially appreciate the opportunity to speak on all four bills at the same time.

My name is Marjorie Powell. I'm the Senior Assistant General Counsel at PhRMA. I represent the women and the men including many women and men who are doing basic research and clinical trials to bring new medicines to market. There

person identifying the doctor to do that consulting work should not be the pharmaceutical representative. Now, it's true that our Code is a voluntary code, but all of our member companies and at last count, I think 13 non-PhRMA member companies have signed up saying they will comply with our Code. They've listed their compliance officer and contact information. So anyone who has a complaint can contact the compliance officer. We're asking companies once a year to certify that they have policies and procedures to train people on the Code, to investigate infractions of the Code and take affirmative action to stop any violations of the Code and we're encouraging companies --

SENATOR HARRIS: If you could sort of wrap up this.

MARJORIE POWELL: -- to have an outside certification --

SENATOR HARRIS: I'd appreciate it.

MARJORIE POWELL: We are also in opposition to Senate Bill 1048, the bulk purchasing, if it were to include Medicaid because we think the State will not get approval from CMS to do that. And while we normally support evidence based medicine and our products are the most heavily researched part of any healthcare provided in this or any other state, we're concerned that Senate Bill 1050 would impose cost criteria rather than healthcare criteria as the basis for deciding what medicine a patient could have.

PAUL PESCATELLO: Good afternoon, Senator Harris, Representative Ritter, Committee members. Thank you for allowing me to speak before you this afternoon. My written testimony will be distributed sometime this afternoon. My name, again, is Paul Pescatello. I'm President of CURE which stands for Connecticut United for Research Excellence.

CURE is a statewide member supported coalition of more than 100 educational and research institutions including UCONN and Yale University, biotechnology and pharmaceutical companies and other supporting businesses and organizations. I am here today to speak about Senate Bill 1046, 1048, 1049 and 1050.

CURE's mission is to educate the public and policymakers about the life sciences in Connecticut. We do this in many ways helping to ensure Connecticut is the center of excellence in stem-cell research, bringing our mobile laboratory, The BioBus and its sophisticated DNA experiments to as many Connecticut kids as we can and also coming to hearings like this to educate you about what works and sometimes what doesn't work to nurture and grow the biopharma industry in Connecticut.

CURE's overarching goal is really our mission number one, is about building the bioscience cluster and startup biotech companies and supporting the deep base of pharmaceutical research and research and development that we

have already built in Connecticut. There's much support for our efforts in large part because investment in biopharma companies is critical to Connecticut because in turn our base of technology companies and the jobs they create, high paying jobs, careers really, with robust benefits is where our State's future lies.

Biopharma jobs have the highest multiplier of any industry category. The greatest ripple across the Connecticut economy, the biggest bank for the buck. We calculate our multiplier with the help of Quinnipiac University and it shows that for each dollar invested in biopharma an additional three plus dollars is created in benefits for Connecticut. The actual multiplier is less important than the ranking of biopharma in relation to other industries. Our multiplier is 3.14. Others have a multiplier over six which is to say the critical fact is that in almost all cases, the biopharma industry has the largest multiplier effect when compared to the multiplier effect of other industries.

In other words, if you're going to invest State resources in anything, the greatest return you will reap will come from an investment in the biopharma sector. One important facet to building a thriving, growing bioscience sector is making clear to the entrepreneurs and larger companies who invest millions, sometimes billions, in new medical research in the hopes that their biotech research will someday be a pharmaceutical company, is to make clear that

Connecticut is a hospitable place to conduct biopharma business.

And respectively, this is what Senate Bills 1046, 1048, 1049 and 1050 do not do. They are largely duplicative of existing state and federal legislation. They create layers of additional administrative -- administration and bureaucracy where an already hugely regulated industry in where several very effective mechanisms already exist and they undermine Connecticut's economic competitiveness.

Simply put, there's a gaping disconnect. We, like so many states and countries, say we want to have the high paying jobs of the future the biopharma industry creates, but then we, unlike many of the competitor states and countries, rattle our policy saber at the industry will bills like these almost as if we want to say we mistrust you. We don't -- we don't care to understand the nature of your research and development cost that you find. We want your discoveries but we don't want to pay for them -- go elsewhere.

Now the bills I'm here to speak on here today are complex.

A VOICE: (Inaudible)

PAUL PESCATELLO: -- I -- I'm almost done -- are complex and some are lengthy and so I won't pressure your patience deconstructing them here.

I and CURE members are available to you and your staff to answer any questions and go into detail about the policy philosophy and details in these bills that work to undermine this important industry.

I will though make a few quick points on each bill.

SENATOR HARRIS: I -- I actually -- we're doing it bill by bill (inaudible)and also you're over -- So the written testimony submitted. I will ask you on the Bill at issue. The one that's under consideration right now which is I believe 1046. You know, a good point that we have to think about was made about the prescribing practitioner but I find it hard to believe that we do it at times. But I find it really hard to believe that by protecting individual information we're going to be killing research and development and jobs here in Connecticut.

PAUL PESCATELLO: Well, again, it's about making Connecticut a hospitable for this business in showing that -- that we -- we have trust in this business and I guess I would ask -- I would definitely reiterate the concerns about the prescriber information and getting that information to the prescribers. And I guess I would -- I would ask and there's another bill here about evidence based medicine -- where is the evidence of the misuses and abuses that isn't covered now in 2009 by existing state and federal

JOINT
STANDING
COMMITTEE
HEARINGS

PUBLIC
HEALTH
PART 5
1238 - 1555

2009

Marjorie Powell

Statement PhRMA

In Opposition to Connecticut Senate Bill 1048
March 2, 2009

Position: PhRMA opposes efforts to include Medicaid populations in bulk purchasing programs for prescription medicines that include other state and private insurance programs because a single formulary used across diverse patient populations is unable to meet diverse patient health needs. In addition, the legislation is unlikely to receive required Federal approval.

SB 1048 would require the Commissioners of Public Health and Social Services and the Comptroller to develop a plan to (1) implement and maintain a prescription drug purchasing program and procedures to aggregate or negotiate the purchase of pharmaceuticals for pharmaceutical programs benefiting Medicaid, other state programs (e.g., the HUSKY Plans, coverage for inmates), and persons eligible for private insurance coverage and (2) join an existing multistate pharmaceutical purchasing pool.

The Pharmaceutical Research and Manufacturers of America (PhRMA) does not oppose state efforts to utilize buying power to secure discounts on prescription medicines as long as individual patient needs can be met and the program receives federal approval. However, SB 1048 intends to include non-Medicaid and Medicaid patients in the same purchasing pool. The Centers for Medicare and Medicaid Services (CMS) has never approved a purchasing pool as created in SB 1048 that combines Medicaid patients, prisoners, other state insurance programs, and private entities. CMS has publicly explained that a state must demonstrate that "the requirement sufficiently benefits the Medicaid population as a whole by making available to financially needy individuals medically necessary prescription drugs, thereby improving their health status and making it less likely that they will become Medicaid eligible." It is unlikely that CMS would consider all the entities contained in SB 1048's purchasing pool as "financially needy" and likely to become Medicaid eligible solely because they don't receive drugs at a price set by the purchasing pool.

In addition, bulk purchasing programs that include multiple patient populations may not meet the medical needs of individual patients and are counterintuitive to State Preferred Drug Programs. Because patient populations vary by state and program as do preferred drug lists (PDLs), it is likely that states would sacrifice their specific needs when pooled with other states (i.e., to achieve optimal savings, states would have to agree on a single PDL).

- Buying medicines is not like buying computers or desks. If an out-of-state entity not controlled by Connecticut is establishing the preferred drugs that Connecticut physicians must prescribe and Connecticut patients must take, it is Connecticut and not that out-of-state entity that will incur any additional costs. If patients cannot receive the healthcare provider's first drug choice, it may result in additional physician office visits to change those medications and monitor their use, as well as a potential increase in emergency room visits and hospitalizations.
- The healthcare needs of the Medicaid population (e.g., low-income children, low-income disabled, and certain institutionalized individuals) and that of other state programs (e.g., HUSKY B; those who are privately insured) differ with respect to formulary rules and drug preferences—what is appropriate for one sub-group may be inappropriate for another. Ignoring special population needs could result in increased hospitalization and primary care costs for Medicaid as patients seek to deal with access problems.

For these reasons, PhRMA asks Connecticut legislators to oppose SB 1048.

Pharmaceutical Research and Manufacturers of America
*125 Washington Street, Unit #1 * Foxboro, MA* (508) 698-4994*