



— STATE COMPTROLLER —  
**SEAN SCANLON**

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## **COMPTROLLER SEAN SCANLON ANNOUNCES NEW PHARMACY MANAGEMENT CONTRACT WITH CVS**

*Agreement expected to save the state more than \$50 million in first year alone*

(HARTFORD, CT) – Comptroller Sean Scanlon today announced that the Office of the State Comptroller has reached a new agreement with pharmacy benefit manager (PBM) CVS Caremark that enhances the value of the State Employee Health Plan and Partnership Plan, increases drug pricing transparency, and projects \$50 million savings in its first year.

“I am looking forward to our continued partnership with CVS Caremark. As both the overseer of the State Health Plan and the state’s fiscal watchdog, I am in the unique position of ensuring our employees, retirees, and their dependents get the best possible care at the best possible cost to taxpayers,” **said Comptroller Sean Scanlon**. “This new contract accomplishes both of those goals while also increasing transparency when it comes to drug pricing—an important tool in addressing rising healthcare costs.”

“This is a creative way for the state to continue providing important health benefits while also saving millions in taxpayer dollars,” **Governor Ned Lamont said**. “I appreciate Comptroller Scanlon and his office for negotiating these savings with providers.”

Beginning July 1<sup>st</sup> on a three-year contract, the agreement will introduce a target maximum annual cost per member. Tracked on a monthly basis, if that target cost is not met, the PBM will have to pay the state the difference. This practice will incentivize the PBM to utilize low-cost options and limit cost growth. A third-party firm, TruDataRx, will also review CVS Caremark’s prescription drug coverage for clinical and cost effectiveness, aiming to maximize the overall value of pharmacy utilization. This will also lead to increased transparency and data sharing among CVS/Caremark, TruDataRx, and OSC. All together, these provisions are expected to save the State Employee Health Plan and Partnership Plan more than \$50 million in their first year alone, with continued annual savings.

“We are excited to continue delivering value to the Connecticut State Employee Health Plan and Partnership Plan through our innovative, simplified pricing models,” **said Ed DeVaney, President – Employer, CVS Caremark**. “This is a true partnership based on understanding the

unique needs of the state and providing benefit design options to achieve their goals – leveraging our unmatched ability to negotiate the lowest net cost for drugs while providing seamless member experience.”

“By applying the best available medical research to optimize the clinical value of prescription medications for plan members,” **said founding CEO of TruDataRx, Catalina Gorla**, “we look forward to working with OSC and CVS to increase the comparative clinical effectiveness of the plan’s coverage while reducing spending trends on pharmaceuticals.”

In addition to the CVS Caremark contract, agreements have been made with Yale/New Haven Health, Hartford Health Care, and UConn Health to be a part of the state’s limited specialty pharmacy network. Each pharmacy has agreed to “acquisition cost pricing” as part of this contract, meaning the state pays what the pharmacy pays to acquire specialty drugs, plus a standard dispensing fee. Each contract will have the opportunity for two one-year renewals at the end of their three-year terms.

***About TruDataRx:*** *TruDataRx is a data analytics company that works with self-insured employers nationwide to help fiduciaries increase the clinical value of drugs they are covering. TruDataRx specializes in applying Comparative Effectiveness Research to pharmacy plan management, bringing health equity to pharmacy benefits by ensuring the best medications are covered and most easily accessible by members.*

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