

5502

2011-2012 Regular Sessions

I N A S S E M B L Y

February 22, 2011

Introduced by M. of A. HEASTIE, COLTON, ROSENTHAL -- read once and referred to the Committee on Insurance

AN ACT to amend the insurance law, in relation to the purchase of prescription drugs

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Subsection (i) of section 3216 of the insurance law is
2 amended by adding a new paragraph 28 to read as follows:
3 (28) NO POLICY WHICH PROVIDES COVERAGE FOR PRESCRIBED DRUGS SHALL
4 MANDATE THAT THE SAME BE PURCHASED BY THE INSURED FROM A MAIL ORDER
5 PHARMACY, NOR MAY SUCH POLICY IMPOSE A CO-PAYMENT FEE OR OTHER CONDITION
6 ON ANY INSURED WHO ELECTS TO PURCHASE DRUGS FROM OTHER THAN A MAIL ORDER
7 PHARMACY WHICH IS NOT ALSO IMPOSED ON INSUREDS ELECTING TO PURCHASE
8 DRUGS FROM A DESIGNATED MAIL ORDER PHARMACY; PROVIDED, HOWEVER, THAT THE
9 PROVISIONS OF THIS SECTION SHALL NOT SUPERSEDE THE TERMS OF A COLLECTIVE
10 BARGAINING AGREEMENT OR APPLY TO A POLICY THAT IS THE RESULT OF A
11 COLLECTIVE BARGAINING AGREEMENT BETWEEN AN EMPLOYER AND A RECOGNIZED OR
12 CERTIFIED EMPLOYEE ORGANIZATION. NOTHING IN THIS PARAGRAPH SHALL ALTER
13 ANY PROVISIONS OF SECTIONS THIRTEEN AND THIRTEEN-O OF THE WORKERS'
14 COMPENSATION LAW REGARDING THE PURCHASE OF PRESCRIPTION DRUGS AND THE
15 USE OF MAIL ORDER PHARMACY.
16 S 2. Subsection (1) of section 3221 of the insurance law is amended by
17 adding a new paragraph 18 to read as follows:
18 (18) NO INSURER DELIVERING A GROUP OR BLANKET POLICY OR ISSUING A
19 GROUP OR BLANKET POLICY FOR DELIVERY IN THIS STATE WHICH PROVIDES COVER-
20 AGE FOR PRESCRIBED DRUGS SHALL MANDATE THAT THE SAME BE PURCHASED BY THE
21 INSURED FROM A MAIL ORDER PHARMACY, NOR MAY SUCH POLICY IMPOSE A CO-PAY-
22 MENT FEE OR OTHER CONDITION ON ANY INSURED WHO ELECTS TO PURCHASE DRUGS
23 FROM OTHER THAN A MAIL ORDER PHARMACY WHICH IS NOT ALSO IMPOSED ON
24 INSUREDS ELECTING TO PURCHASE DRUGS FROM A DESIGNATED MAIL ORDER PHARMA-
25 CY; PROVIDED, HOWEVER, THAT THE PROVISIONS OF THIS SECTION SHALL NOT

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets [] is old law to be omitted.

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1 SUPERSEDE THE TERMS OF A COLLECTIVE BARGAINING AGREEMENT OR APPLY TO A
2 POLICY THAT IS THE RESULT OF A COLLECTIVE BARGAINING AGREEMENT BETWEEN
3 AN EMPLOYER AND A RECOGNIZED OR CERTIFIED EMPLOYEE ORGANIZATION. NOTHING
4 IN THIS PARAGRAPH SHALL ALTER ANY PROVISIONS OF SECTIONS THIRTEEN AND
5 THIRTEEN-O OF THE WORKERS' COMPENSATION LAW REGARDING THE PURCHASE OF
6 PRESCRIPTION DRUGS AND THE USE OF MAIL ORDER PHARMACY.

7 S 3. Section 4303 of the insurance law is amended by adding a new
8 subsection (hh) to read as follows:

9 (HH) NO POLICY ISSUED BY A MEDICAL EXPENSE INDEMNITY CORPORATION, A
10 HOSPITAL SERVICE CORPORATION OR A HEALTH SERVICES CORPORATION WHICH
11 PROVIDES COVERAGE FOR PRESCRIBED DRUGS SHALL MANDATE THAT THE SAME BE
12 PURCHASED BY THE INSURED FROM A MAIL ORDER PHARMACY, NOR MAY SUCH POLICY
13 IMPOSE A CO-PAYMENT FEE OR OTHER CONDITION ON ANY INSURED WHO ELECTS TO
14 PURCHASE DRUGS FROM OTHER THAN A MAIL ORDER PHARMACY WHICH IS NOT ALSO
15 IMPOSED ON INSUREDS ELECTING TO PURCHASE DRUGS FROM A DESIGNATED MAIL
16 ORDER PHARMACY; PROVIDED, HOWEVER, THAT THE PROVISIONS OF THIS SECTION
17 SHALL NOT SUPERSEDE THE TERMS OF A COLLECTIVE BARGAINING AGREEMENT OR
18 APPLY TO A POLICY THAT IS THE RESULT OF A COLLECTIVE BARGAINING AGREE-
19 MENT BETWEEN AN EMPLOYER AND A RECOGNIZED OR CERTIFIED EMPLOYEE ORGAN-
20 IZATION. NOTHING IN THIS SUBSECTION SHALL ALTER ANY PROVISIONS OF
21 SECTIONS THIRTEEN AND THIRTEEN-O OF THE WORKERS' COMPENSATION LAW
22 REGARDING THE PURCHASE OF PRESCRIPTION DRUGS AND THE USE OF MAIL ORDER
23 PHARMACY.

24 S 4. The opening paragraph of paragraph 25 of subsection (b) of
25 section 4322 of the insurance law, as amended by chapter 554 of the laws
26 of 2002, is amended to read as follows:

27 Prescription drugs, including contraceptive drugs or devices approved
28 by the federal food and drug administration or generic equivalents
29 approved as substitutes by such food and drug administration and nutri-
30 tional supplements (formulas) for the therapeutic treatment of phenylke-
31 tonuria, branched-chain ketonuria, galactosemia and homocystinuria,
32 obtained at a participating pharmacy under a prescription written by an
33 in-plan or out-of-plan provider. Health maintenance organizations, in
34 addition to providing coverage for prescription drugs at a participating
35 pharmacy, may utilize a mail order prescription drug program. HOWEVER,
36 NO HEALTH MAINTENANCE ORGANIZATION SHALL MANDATE THAT PRESCRIPTION DRUGS
37 BE PURCHASED BY THE INSURED FROM A MAIL ORDER PHARMACY; PROVIDED, HOWEV-
38 ER, THAT THE PROVISIONS OF THIS SECTION SHALL NOT SUPERSEDE THE TERMS OF
39 A COLLECTIVE BARGAINING AGREEMENT OR APPLY TO A POLICY THAT IS THE
40 RESULT OF A COLLECTIVE BARGAINING AGREEMENT BETWEEN AN EMPLOYER AND A
41 RECOGNIZED OR CERTIFIED EMPLOYEE ORGANIZATION. NOTHING IN THIS PARAGRAPH
42 SHALL ALTER ANY PROVISIONS OF SECTIONS THIRTEEN AND THIRTEEN-O OF THE
43 WORKERS' COMPENSATION LAW REGARDING THE PURCHASE OF PRESCRIPTION DRUGS
44 AND THE USE OF MAIL ORDER PHARMACY. Health maintenance organizations may
45 provide prescription drugs pursuant to a drug formulary; however, health
46 maintenance organizations must implement an appeals process so that the
47 use of non-formulary prescription drugs may be requested by a physician
48 or other provider.

49 S 5. If any clause, subparagraph, subsection, section or other part of
50 this act, or the application thereof be held to be invalid, such hold-
51 ing shall not affect, impair or invalidate the remainder of this act, or
52 the application of such section or part of a section held invalid.

53 S 6. This act shall take effect on the thirtieth day after it shall
54 have become a law and shall apply to all policies and contracts issued,
55 renewed, modified, altered or amended on or after such effective date.