

3419

2015-2016 Regular Sessions

I N S E N A T E

February 9, 2015

Introduced by Sens. YOUNG, BRESLIN, GOLDEN, LANZA, MARCHIONE, PARKER,
VALESKY -- read twice and ordered printed, and when printed to be
committed to the Committee on Insurance

AN ACT to amend the insurance law, in relation to the regulation of step
therapy and first fail policies

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

1 Section 1. The insurance law is amended by adding a new article 33 to
2 read as follows:

3 ARTICLE 33

4 REGULATION OF STEP THERAPY AND
5 FIRST FAIL POLICIES

6 SECTION 3301. DEFINITIONS.

7 3302. PRESCRIPTION DRUG RESTRICTION OVERRIDES.

8 S 3301. DEFINITIONS. AS USED IN THIS ARTICLE:

9 (A) "INSURER" SHALL MEAN ANY PERSON OR ENTITY WHO OFFERS A POLICY OF
10 ACCIDENT AND/OR HEALTH INSURANCE PURSUANT TO SECTION THREE THOUSAND TWO
11 HUNDRED SIXTEEN, THREE THOUSAND TWO HUNDRED TWENTY-ONE, OR FOUR THOUSAND
12 THREE HUNDRED THREE OF THIS CHAPTER OR ARTICLE FORTY-FOUR OF THE PUBLIC
13 HEALTH LAW.

14 (B) "PHARMACY BENEFIT MANAGEMENT" OR "PBM" SHALL MEAN THE SERVICE
15 PROVIDED TO AN INSURER, DIRECTLY OR THROUGH ANOTHER ENTITY; INCLUDING
16 THE PROCUREMENT OF PRESCRIPTION DRUGS TO BE DISPENSED TO COVERED
17 PERSONS, OR THE ADMINISTRATION OR MANAGEMENT OF PRESCRIPTION DRUG BENE-
18 FITS INCLUDING, BUT NOT LIMITED TO, ANY OF THE FOLLOWING:

19 (1) A MAIL ORDER PHARMACY;

20 (2) CLAIMS PROCESSING, RETAIL NETWORK MANAGEMENT AND PAYMENT OF CLAIMS
21 TO PHARMACIES FOR DISPENSING PRESCRIPTION DRUGS;

22 (3) CLINICAL OR OTHER FORMULARY, OR PREFERRED DRUG LIST DEVELOPMENT OR
23 MANAGEMENT;

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

LBD03838-01-5

1 (4) NEGOTIATION OR ADMINISTRATION OF REBATES, DISCOUNTS, PAYMENT
2 DIFFERENTIALS OR OTHER INCENTIVES FOR THE INCLUSION OF PARTICULAR
3 PRESCRIPTION DRUGS IN A PARTICULAR CATEGORY OR TO PROMOTE THE PURCHASE
4 OF PARTICULAR PRESCRIPTION DRUGS;

5 (5) PATIENT COMPLIANCE, THERAPEUTIC INTERVENTION AND GENERIC SUBSTI-
6 TUTION PROGRAMS; AND

7 (6) DISEASE MANAGEMENT.

8 S 3302. PRESCRIPTION DRUG RESTRICTION OVERRIDES. (A) WHEN MEDICATIONS
9 FOR THE TREATMENT OF ANY MEDICAL CONDITION ARE RESTRICTED FOR USE BY AN
10 INSURER OR PBM BY A STEP THERAPY OR FAIL FIRST PROTOCOL, A PRESCRIBER
11 SHALL HAVE ACCESS TO A CLEAR AND CONVENIENT PROCESS AT NO CHARGE TO SUCH
12 PRESCRIBER AND/OR PATIENT TO OVERRIDE SUCH RESTRICTIONS FROM THE INSURER
13 AND MAY EXPEDITIOUSLY OVERRIDE SUCH RESTRICTION IF:

14 (1) SUCH PRESCRIBER, IN HIS OR HER PROFESSIONAL JUDGMENT, BELIEVES
15 THAT THE PREFERRED TREATMENT BY THE INSURER OR THE PBM HAS BEEN INEFFECTIVE
16 IN THE TREATMENT OF THE COVERED PERSON'S DISEASE OR MEDICAL CONDI-
17 TION; OR

18 (2) BASED ON SOUND CLINICAL EVIDENCE AND MEDICAL AND SCIENTIFIC
19 EVIDENCE:

20 (A) SUCH PRESCRIBER, IN HIS OR HER PROFESSIONAL JUDGMENT, BELIEVES
21 THAT THE PREFERRED TREATMENT IS EXPECTED TO BE INEFFECTIVE BASED ON THE
22 KNOWN RELEVANT PHYSICAL OR MENTAL CHARACTERISTICS OF THE COVERED PERSON
23 AND KNOWN CHARACTERISTICS OF THE DRUG REGIMEN, AND IS LIKELY TO BE INEF-
24 FECTIVE OR ADVERSELY AFFECT THE DRUG'S EFFECTIVENESS OR PATIENT COMPLI-
25 ANCE; OR

26 (B) SUCH PRESCRIBER, IN HIS OR HER PROFESSIONAL JUDGMENT, BELIEVES
27 THAT THE PREFERRED TREATMENT HAS CAUSED OR IS LIKELY TO CAUSE AN ADVERSE
28 REACTION OR OTHER HARM TO THE COVERED PERSON.

29 (B) THE DURATION OF ANY STEP THERAPY OR FAIL FIRST PROTOCOL SHALL NOT
30 BE LONGER THAN EITHER (1) THE PERIOD DEEMED NECESSARY BY THE PRESCRIBING
31 PHYSICIAN OR HEALTH CARE PROFESSIONAL TO DETERMINE THE TREATMENT'S CLIN-
32 ICAL EFFECTIVENESS, OR (2) A PERIOD OF THIRTY DAYS.

33 (C) NOTHING IN THIS SECTION SHALL REQUIRE COVERAGE FOR AN ADDITIONAL
34 CONDITION NOT ALREADY COVERED BY THE POLICY OR CONTRACT, OR WHICH IS NOT
35 OTHERWISE COVERED BY LAW.

36 S 2. This act shall take effect on the one hundred twentieth day after
37 it shall have become a law.