

STATE OF NEW YORK

2541

2017-2018 Regular Sessions

IN SENATE

January 13, 2017

Introduced by Sen. HANNON -- read twice and ordered printed, and when printed to be committed to the Committee on Health

AN ACT to amend the public health law and the insurance law, in relation to contracts between pharmacy benefit managers and health insurers to protect consumers

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Section 280-a of the public health law is amended by adding
2 a new subdivision 3 to read as follows:

3 3. A pharmacy benefit manager shall, with respect to contracts between
4 the pharmacy benefit manager and an insurer, ensure a prescription drug
5 consumer is not charged, through either a co-pay or deductible, a cost
6 that is higher than the negotiated reimbursement rate for the drug, less
7 any rebate collected.

8 § 2. Section 4406-c of the public health law is amended by adding a
9 new subdivision 9 to read as follows:

10 9. No health maintenance organization shall require an enrollee to
11 pay a cost higher than the health maintenance organization's or their
12 pharmacy benefit manager's negotiated reimbursement rate for a
13 prescription drug, less any rebates collected. Any co-payment charged
14 under the contract shall also be based upon the negotiated rate, less
15 any rebate collected.

16 § 3. Section 3217-b of the insurance law is amended by adding a new
17 subsection (k) to read as follows:

18 (k) No insurer shall require an insured to pay a cost higher than the
19 insurer's or their pharmacy benefit manager's negotiated reimbursement
20 rate for a prescription drug, less any rebates collected. Any co-payment
21 charged under the policy shall also be based upon the negotiated rate,
22 less any rebate collected.

23 § 4. Section 4325 of the insurance law is amended by adding a new
24 subsection (1) to read as follows:

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

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1 (1) No corporation organized under this article shall require a
2 covered person to pay a cost higher than the corporation's or their
3 pharmacy benefit manager's negotiated reimbursement rate for a
4 prescription drug, less any rebates collected. Any co-payment charged
5 under the contract shall also be based upon the negotiated rate, less
6 any rebate collected.

7 § 5. This act shall take effect on the first of January next succeed-
8 ing the date on which it shall have become a law.