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:

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

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

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

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

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

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

§ 4. Section 4325 of the insurance law is amended by adding a new 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) No corporation organized under this article shall require a covered person to pay a cost higher than the corporation's or their pharmacy benefit manager's negotiated reimbursement rate for a prescription drug, less any rebates collected. Any co-payment charged under the contract shall also be based upon the negotiated rate, less any rebate collected.

§ 5. This act shall take effect on the first of January next succeeding the date on which it shall have become a law.