

STATE OF NEW YORK

3554

2025-2026 Regular Sessions

IN ASSEMBLY

January 28, 2025

Introduced by M. of A. RAJKUMAR -- read once and referred to the Committee on Governmental Operations

AN ACT to amend the civil service law, in relation to state contracts for the services of pharmacy benefit managers under health insurance plans for state officers and employees

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

1 Section 1. The civil service law is amended by adding a new section
2 162-a to read as follows:

3 § 162-a. Procurement of pharmacy benefit manager services. 1.
4 Notwithstanding the provisions of this article or article eleven of the
5 state finance law, if the state enters into a private contract for a
6 pharmacy benefits manager, the president shall procure and enter into a
7 contract for the services of a pharmacy benefits manager in connection
8 with health insurance benefits under this article in accordance with a
9 reverse auction process as provided for in this section, and pursuant to
10 rules and regulations to be promulgated by the president, in consulta-
11 tion with the state comptroller.

12 2. In consultation with the technology platform vendor selected under
13 subdivision six of this section, the president shall specify the terms
14 of a participant bidding agreement that all bidders must accept as a
15 prerequisite for participation in the reverse auction process, includ-
16 ing:

17 (a) common definitions;
18 (b) prescription drug classifications;
19 (c) retail pricing rules, including maximum allowable cost price lists
20 and dispensing fees; and
21 (d) any other contract terms the president deems necessary to further
22 the purpose of this section.

23 3. A pharmacy benefit manager who submits a bid under this section
24 shall provide the president access to complete pharmacy claims data

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

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1 necessary for the president to conduct the reverse auction and to carry
2 out administrative and management duties.

3 4. The terms of a contract entered into under this section shall not
4 be modified by the pharmacy benefit manager except with the approval of
5 the president.

6 5. The president may structure the contract awarded under this section
7 to pay the cost of the technology platform and the associated profes-
8 sional services contracted for under this section by assessing a fee per
9 prescription to be paid directly by the pharmacy benefit manager to the
10 technology platform vendor.

11 6. At least three months before the reverse auction process is sched-
12 uled to be completed, the president shall procure through a competitive
13 bidding process a contract with a professional services vendor for a
14 technology platform and any associated professional services necessary
15 to operate the platform to evaluate the qualifications of prospective
16 pharmacy benefit manager bidders for the pharmacy benefit manager
17 procurement and host and conduct an online automated reverse auction as
18 required by this section.

19 7. For the purposes of this section:

20 (a) "Pharmacy benefit manager" shall have the same meaning as set
21 forth in section two hundred eighty-a of the public health law; and

22 (b) "Reverse auction" means an automated bidding process conducted
23 online that starts with an opening price and allows qualified bidders to
24 counteroffer a lower price for multiple rounds of bidding.

25 § 2. This act shall take effect immediately.