S T A T E O F N E W Y O R K

S. 4 A. 4

Third Extraordinary Session

S E N A T E - A S S E M B L Y

November 29, 2010

IN SENATE -- Introduced by COMMITTEE ON RULES -- (at request of the Governor) -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

IN ASSEMBLY -- Introduced by COMMITTEE ON RULES -- (at request of the Governor) -- read once and referred to the Committee on Ways and Means

AN ACT to amend chapter 536 of the laws of 2010, amending the public health law and the insurance law, relating to cost-sharing, deductible or co-insurance for tier IV prescription drugs, and amending the executive law, relating to unlawful discriminatory practice in relation to tier IV prescription drugs, in relation to making certain technical corrections; and to repeal certain provisions of the executive law, relating to unlawful discriminatory practice in relation to tier IV prescription drugs

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

Section 1. Section 1 of chapter 536 of the laws of 2010, amending the public health law and the insurance law, relating to cost-sharing, deductible or co-insurance for tier IV prescription drugs, and amending the executive law, relating to unlawful discriminatory practice in relation to tier IV prescription drugs, is amended to read as follows:

Section 1. Legislative findings. The cost-sharing, deductibles and co-insurance obligations for certain drugs are becoming cost prohibitive for persons trying to overcome serious and often life-threatening diseases and conditions such as cancer, multiple sclerosis, rheumatoid arthritis, hepatitis C, hemophilia and psoriasis. These drugs are typically new, produced in lesser quantities than other drugs, and not available as less expensive brand name or generic prescription drugs. Some health insurance plans and policies in other states as well as some self-insured plans in New York have established unique categories or specialty tiers for these drugs, sometimes referred to as Tier IV or

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

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Tier V. Patients under these plans are required to pay a percentage of the cost of these high-priced drugs, rather than the traditional co-payment amounts for generic, preferred brand, and non-preferred brand prescription drugs, often covered by Tier I, Tier II, and Tier III plans and policies, respectively. As a result, patients covered under plans with specialty tiers must pay thousands of dollars in out-of-pocket costs for drugs critical for their treatment.

It is in the public interest to help patients to afford necessary prescription drugs by prohibiting cost-sharing, deductibles and co-insurance obligations by patients that exceed payments for non-preferred brand prescription drugs or the equivalent thereof. It is not the intent of this legislation to preclude plans or policies from categorizing drugs used in the treatment of these common diseases as brand name prescription drugs or generic prescription drug equivalents.

The extraordinary disparity in cost-sharing, deductible and co-insurance burdens imposed on patients whose life and health depend on these drugs [constitutes] PLACES serious and unjustified [discrimination] HARDSHIPS ON INDIVIDUALS based on their disease or disability.

This legislation is intended to provide patients more affordable access to prescription drugs essential for their treatment of cancer, multiple sclerosis, rheumatoid arthritis, hepatitis C, hemophilia, psoriasis, and other diseases.

S 2. Subdivision 20 of section 296 of the executive law is REPEALED.

S 3. This act shall take effect on the same date and in the same manner as chapter 536 of the laws of 2010, amending the public health law and the insurance law, relating to cost-sharing, deductible or co-insurance for tier IV prescription drugs, and amending the executive law, relating to unlawful discriminatory practice in relation to tier IV prescription drugs, takes effect.