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I N S E N A T E

May 10, 2016

Introduced by Sens. GOLDEN, ADDABBO, AKSHAR, BOYLE, COMRIE, CROCI, ESPAILLAT, FUNKE, HAMILTON, KRUEGER, LANZA, LARKIN, MARTINS, O'MARA, PANEPINTO, PARKER, RITCHIE, ROBACH, SAVINO, STAVISKY -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the insurance law, in relation to reimbursements to mail order pharmacies

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

1 Section 1. Paragraphs 13-a and 28 of subsection (i) of section 3216 of
2 the insurance law, paragraph 13-a as amended by chapter 10 of the laws
3 of 2012, paragraph 28 as amended by chapter 11 of the laws of 2012, are
4 amended to read as follows:
5 (13-a) (A) DEFINITIONS. FOR THE PURPOSES OF THIS PARAGRAPH:
6 (1) "SAME REIMBURSEMENT AMOUNT" SHALL MEAN THAT ANY COVERAGE DESCRIBED
7 UNDER SUBPARAGRAPH (B) OF THIS PARAGRAPH SHALL USE THE SAME SINGULAR
8 BENCHMARK INDEX, WHICH MAY BE AVERAGE WHOLESALE PRICE, MAXIMUM ALLOWABLE
9 COST, FEDERAL UPPER LIMIT, OR ANOTHER SIMILAR BENCHMARK INDEX USED BY
10 THE INSURANCE INDUSTRY, AND NATIONAL PRESCRIPTION DRUG CODES TO REIM-
11 BURSE ALL PHARMACIES PARTICIPATING IN THE INSURANCE NETWORK FOR ALL
12 PRESCRIPTIONS REGARDLESS OF WHETHER A PHARMACY IS A MAIL ORDER PHARMACY
13 OR A NON-MAIL RETAIL ORDER PHARMACY, PROVIDED, HOWEVER, THAT WHEN THE
14 SELECTED BENCHMARK INDEX DOES NOT INCLUDE ONE OR MORE PARTICULAR
15 PRESCRIPTION DRUGS, A HIERARCHY OF BENCHMARK INDICES SHALL BE USED IN
16 THEIR HIERARCHICAL ORDER AND SUCH SECONDARY INDEX SHALL BE USED TO
17 PROVIDE PRICING FOR ONLY THOSE DRUGS NOT INCLUDED IN THE MAIN INDEX. IF
18 THE TWO SELECTED BENCHMARKS DO NOT INCLUDE ONE OR MORE PARTICULAR
19 PRESCRIPTION DRUGS, A THIRD BENCHMARK INDEX SHALL BE USED TO PROVIDE
20 PRICING ONLY FOR THOSE DRUGS NOT INCLUDED IN THE MAIN INDEX OR SECONDARY
21 INDEX. ALL PARTICIPATING NETWORK PHARMACIES, NON-MAIL ORDER RETAIL PHAR-

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

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1 MACIES AND MAIL ORDER PHARMACIES, SHALL RECEIVE A DISCLOSURE OF THE
2 REIMBURSEMENT HIERARCHY, THE CURRENT BENCHMARK PRICES FOR THE INDICES
3 INCLUDED IN THE HIERARCHY, AND MONTHLY UPDATES TO THE BENCHMARK PRICES
4 FOR EACH OF THE HIERARCHICAL INDICES. ANY CHANGE TO THE HIERARCHICAL
5 BENCHMARK STRUCTURE SHALL NOT BE MADE UNLESS NOTICE OF SUCH CHANGE HAS
6 BEEN PROVIDED TO ALL PARTICIPATING NETWORK PHARMACIES AT LEAST THIRTY
7 DAYS IN ADVANCE OF SUCH CHANGE.

8 (2) "MAIL ORDER PHARMACY" SHALL MEAN A PHARMACY WHOSE PRIMARY BUSINESS
9 IS TO RECEIVE PRESCRIPTIONS BY MAIL, TELEFAX OR THROUGH ELECTRONIC
10 SUBMISSIONS AND TO DISPENSE MEDICATION TO PATIENTS THROUGH THE USE OF
11 THE UNITED STATES MAIL OR OTHER COMMON OR CONTRACT CARRIER SERVICES AND
12 PROVIDES ANY CONSULTATION WITH PATIENTS ELECTRONICALLY RATHER THAN
13 FACE-TO-FACE.

14 (3) "STANDARD TERMS AND CONDITIONS" SHALL MEAN THE CONTRACTUAL TERMS
15 AND CONDITIONS APPLICABLE TO ALL NETWORK NON-MAIL ORDER RETAIL PHARMA-
16 CIES, PROVIDED, HOWEVER THAT FOR MAIL ORDER PRESCRIPTIONS THAT ARE
17 SUBJECT TO THE FEDERAL DRUG ADMINISTRATION RISK EVALUATION AND MITI-
18 GATION STRATEGIES PROGRAM, THE INSURANCE POLICY MAY IMPOSE AN ADDITIONAL
19 TERM AND CONDITION REQUIRING DOCUMENTATION STATING THAT THE PHARMACY IS
20 AUTHORIZED TO DISPENSE SUCH MAIL ORDER PRESCRIPTION BEFORE A NON-MAIL
21 ORDER RETAIL PHARMACY MAY BE REIMBURSED FOR DISPENSING SUCH MAIL ORDER
22 PRESCRIPTION DRUG.

23 (B) Every policy that provides coverage for prescription fertility
24 drugs and requires or permits prescription drugs to be purchased through
25 a network participating mail order or other non-retail pharmacy shall
26 provide the same coverage for prescription fertility drugs AND SHALL NOT
27 LIMIT THE SUPPLY THAT MAY BE DISPENSED TO A THIRTY-DAY SUPPLY when such
28 drugs are purchased from a network participating non-mail order retail
29 pharmacy provided that the network participating non-mail order retail
30 pharmacy agrees [in advance through a contractual network agreement,] to
31 the same reimbursement amount[, as well as the same applicable terms and
32 conditions,] AND STANDARD TERMS AND CONDITIONS that the insurer has
33 established for [a] network participating [mail order or other non-re-
34 tail pharmacy] NON-MAIL ORDER RETAIL PHARMACIES. In such case, the
35 policy shall not impose any fee, co-payment, co-insurance, deductible or
36 other condition, INCLUDING REQUIRING MONTHLY REFILLS OF A PRESCRIPTION
37 THAT WAS WRITTEN FOR AND MAY BE FILLED FOR MORE THAN A THIRTY-DAY
38 SUPPLY, on any insured who elects to purchase prescription fertility
39 drugs through a network participating non-mail order retail pharmacy
40 that it does not impose on any insured who purchases prescription
41 fertility drugs through a network participating mail order or other
42 non-retail pharmacy.

43 (C) ANY POLICY THAT PROVIDES COVERAGE FOR PRESCRIPTION FERTILITY DRUGS
44 SHALL REQUIRE MAIL ORDER PHARMACIES TO REPLACE DISPENSED PRESCRIPTION
45 FERTILITY DRUGS THAT HAVE SPOILED OR DAMAGED, PROVIDED THAT, THE POLICY
46 MAY REQUIRE THAT THE SPOILED OR DAMAGED PRESCRIPTION FERTILITY DRUG BE
47 RETURNED TO THE MAIL ORDER PHARMACY WITH THE COST TO BE BORNE BY SUCH
48 PHARMACY, AND PROVIDED FURTHER THAT SUCH SPOILED OR DAMAGED PRESCRIPTION
49 FERTILITY DRUG SHALL BE REPLACED IN AN AMOUNT THAT IS NOT LESS THAN A
50 ONE MONTH SUPPLY BEFORE RECEIPT OF THE RETURNED SPOILED OR DAMAGED
51 PRESCRIPTION FERTILITY DRUG. IF THE SPOILED OR DAMAGED PRESCRIPTION
52 FERTILITY DRUG IS NOT RETURNED, THE POLICY MAY REQUIRE THE INSURED TO
53 REIMBURSE THE POLICY FOR THE COST OF THE PRESCRIPTION FERTILITY DRUG
54 AND, NOTWITHSTANDING THE FOREGOING, WHEN AN INSURED WHO WAS PREVIOUSLY
55 REQUIRED TO REIMBURSE THE INSURANCE POLICY FOR A DISPENSED PRESCRIPTION
56 FERTILITY DRUG THAT WAS SPOILED OR DAMAGED, THE POLICY MAY REFUSE TO

1 REPLACE SUCH PRESCRIPTION FERTILITY DRUG FOR SUCH INSURED UNTIL SUCH
2 INSURED HAS RETURNED THE SPOILED OR DAMAGED PRESCRIPTION FERTILITY DRUG.
3 REPLACEMENT OF A PRESCRIPTION FERTILITY DRUG PURSUANT TO THIS SUBPARA-
4 GRAPH SHALL NOT BE LIMITED TO A SPECIFIC NUMBER OF OCCURRENCES DURING A
5 CONTRACT YEAR.

6 (28) (A) DEFINITIONS. FOR THE PURPOSES OF THIS PARAGRAPH:

7 (1) "SAME REIMBURSEMENT AMOUNT" SHALL MEAN THAT ANY COVERAGE DESCRIBED
8 UNDER SUBPARAGRAPH (B) OF THIS PARAGRAPH SHALL USE THE SAME SINGULAR
9 BENCHMARK INDEX, WHICH MAY BE AVERAGE WHOLESALE PRICE, MAXIMUM ALLOWABLE
10 COST, FEDERAL UPPER LIMIT, OR ANOTHER SIMILAR BENCHMARK INDEX USED BY
11 THE INSURANCE INDUSTRY, AND NATIONAL PRESCRIPTION DRUG CODES TO REIM-
12 BURSE ALL PHARMACIES PARTICIPATING IN THE INSURANCE NETWORK FOR ALL
13 PRESCRIPTIONS REGARDLESS OF WHETHER A PHARMACY IS A MAIL ORDER PHARMACY
14 OR A NON-MAIL ORDER RETAIL PHARMACY, PROVIDED, HOWEVER, THAT WHEN THE
15 SELECTED BENCHMARK INDEX DOES NOT INCLUDE ONE OR MORE PARTICULAR
16 PRESCRIPTION DRUGS, A HIERARCHY OF BENCHMARK INDICES SHALL BE USED IN
17 THEIR HIERARCHICAL ORDER AND SUCH SECONDARY INDEX SHALL BE USED TO
18 PROVIDE PRICING FOR ONLY THOSE DRUGS NOT INCLUDED IN THE MAIN INDEX. IF
19 THE TWO SELECTED BENCHMARKS DO NOT INCLUDE ONE OR MORE PARTICULAR
20 PRESCRIPTION DRUGS, A THIRD BENCHMARK INDEX SHALL BE USED TO PROVIDE
21 PRICING ONLY FOR THOSE DRUGS NOT INCLUDED IN THE MAIN INDEX OR SECONDARY
22 INDEX. ALL PARTICIPATING NETWORK PHARMACIES, NON-MAIL ORDER RETAIL PHAR-
23 MACIES AND MAIL ORDER PHARMACIES, SHALL RECEIVE A DISCLOSURE OF THE
24 REIMBURSEMENT HIERARCHY, THE CURRENT BENCHMARK PRICES FOR THE INDICES
25 INCLUDED IN THE HIERARCHY, AND MONTHLY UPDATES TO THE BENCHMARK PRICES
26 FOR EACH OF THE HIERARCHICAL INDICES. ANY CHANGE TO THE HIERARCHICAL
27 BENCHMARK STRUCTURE SHALL NOT BE MADE UNLESS NOTICE OF SUCH CHANGE HAS
28 BEEN PROVIDED TO ALL PARTICIPATING NETWORK PHARMACIES, NON-MAIL ORDER
29 RETAIL PHARMACIES AND MAIL ORDER PHARMACIES, AT LEAST THIRTY DAYS IN
30 ADVANCE OF SUCH CHANGE.

31 (2) "MAIL ORDER PHARMACY" SHALL MEAN A PHARMACY WHOSE PRIMARY BUSINESS
32 IS TO RECEIVE PRESCRIPTIONS BY MAIL, TELEFAX OR THROUGH ELECTRONIC
33 SUBMISSIONS AND TO DISPENSE MEDICATION TO PATIENTS THROUGH THE USE OF
34 THE UNITED STATES MAIL OR OTHER COMMON OR CONTRACT CARRIER SERVICES AND
35 PROVIDES ANY CONSULTATION WITH PATIENTS ELECTRONICALLY RATHER THAN
36 FACE-TO-FACE.

37 (3) "STANDARD TERMS AND CONDITIONS" SHALL MEAN THE CONTRACTUAL TERMS
38 AND CONDITIONS APPLICABLE TO ALL NETWORK NON-MAIL ORDER RETAIL PHARMA-
39 CIES, PROVIDED, HOWEVER THAT FOR MAIL ORDER PRESCRIPTIONS THAT ARE
40 SUBJECT TO THE FEDERAL DRUG ADMINISTRATION RISK EVALUATION AND MITI-
41 GATION STRATEGIES PROGRAM, THE INSURANCE POLICY MAY IMPOSE AN ADDITIONAL
42 TERM AND CONDITION REQUIRING DOCUMENTATION STATING THAT THE PHARMACY IS
43 AUTHORIZED TO DISPENSE SUCH MAIL ORDER PRESCRIPTION BEFORE A NON-MAIL
44 ORDER RETAIL PHARMACY MAY BE REIMBURSED FOR DISPENSING SUCH MAIL ORDER
45 PRESCRIPTION DRUG.

46 (B) Any policy that provides coverage for prescription drugs shall
47 permit each insured to fill any covered prescription that may be
48 obtained at a network participating mail order or other non-retail phar-
49 macy, at the insured's option, at a network participating non-mail order
50 retail pharmacy provided that the network participating non-mail order
51 retail pharmacy agrees [in advance, through a contractual network agree-
52 ment,] to the same reimbursement amount[, as well as the same applicable
53 terms and conditions,] AND STANDARD TERMS AND CONDITIONS that the insur-
54 er has established for the network participating [mail order or other
55 non-retail pharmacy] NON-MAIL ORDER RETAIL PHARMACIES. In such a case,
56 the policy shall not impose a co-payment fee or other condition, INCLUD-

1 ING REQUIRING MONTHLY REFILLS OF A PRESCRIPTION THAT WAS WRITTEN FOR AND
2 MAY BE FILLED FOR MORE THAN A THIRTY-DAY SUPPLY, on any insured who
3 elects to purchase prescription drugs from a network participating non-
4 mail order retail pharmacy which is not also imposed on insureds elect-
5 ing to purchase drugs from a network participating mail order or other
6 non-retail pharmacy.

7 (C) ANY POLICY THAT PROVIDES COVERAGE FOR PRESCRIPTION DRUGS SHALL
8 REQUIRE MAIL ORDER PHARMACIES TO REPLACE DISPENSED PRESCRIPTION DRUGS
9 THAT HAVE BEEN SPOILED OR DAMAGED, PROVIDED THAT, THE POLICY MAY REQUIRE
10 THAT THE SPOILED OR DAMAGED PRESCRIPTION DRUG BE RETURNED TO THE MAIL
11 ORDER PHARMACY WITH THE COST TO BE BORNE BY SUCH PHARMACY, AND PROVIDED
12 FURTHER THAT SUCH SPOILED OR DAMAGED PRESCRIPTION DRUG SHALL BE REPLACED
13 IN AN AMOUNT THAT IS NOT LESS THAN A ONE MONTH SUPPLY BEFORE RECEIPT OF
14 THE SPOILED OR DAMAGED PRESCRIPTION DRUG. IF SUCH SPOILED OR DAMAGED
15 PRESCRIPTION DRUG IS NOT RETURNED, THE POLICY MAY REQUIRE THE INSURED TO
16 REIMBURSE THE POLICY FOR THE COST OF THE PRESCRIPTION DRUG AND, NOTWITH-
17 STANDING THE FOREGOING, WHEN AN INSURED WHO WAS PREVIOUSLY REQUIRED TO
18 REIMBURSE THE POLICY FOR A DISPENSED SPOILED OR DAMAGED PRESCRIPTION
19 DRUG, THE POLICY MAY REFUSE TO REPLACE SUCH PRESCRIPTION DRUG FOR SUCH
20 INSURED UNTIL SUCH INSURED HAS RETURNED THE SPOILED OR DAMAGED
21 PRESCRIPTION DRUG. REPLACEMENT OF A PRESCRIPTION DRUG PURSUANT TO THIS
22 SUBPARAGRAPH SHALL NOT BE LIMITED TO A SPECIFIC NUMBER OF OCCURRENCES
23 DURING A CONTRACT YEAR.

24 S 2. Subparagraph (D) of paragraph 6 of subsection (k) of section 3221
25 of the insurance law, as amended by chapter 10 of the laws of 2012, is
26 amended to read as follows:

27 (D) (I) DEFINITIONS. FOR THE PURPOSE OF THIS PARAGRAPH:

28 (1) "SAME REIMBURSEMENT AMOUNT" SHALL MEAN THAT ANY COVERAGE DESCRIBED
29 UNDER ITEM (II) OF THIS SUBPARAGRAPH SHALL USE THE SAME SINGULAR BENCH-
30 MARK INDEX, WHICH MAY BE AVERAGE WHOLESALE PRICE, MAXIMUM ALLOWABLE
31 COST, FEDERAL UPPER LIMIT, OR ANOTHER SIMILAR BENCHMARK INDEX USED BY
32 THE INSURANCE INDUSTRY, AND NATIONAL PRESCRIPTION DRUG CODES TO REIM-
33 BURSE ALL PHARMACIES PARTICIPATING IN THE INSURANCE NETWORK FOR ALL
34 PRESCRIPTIONS REGARDLESS OF WHETHER A PHARMACY IS A MAIL ORDER PHARMACY
35 OR A NON-MAIL RETAIL ORDER PHARMACY, PROVIDED, HOWEVER, THAT WHEN THE
36 SELECTED BENCHMARK INDEX DOES NOT INCLUDE ONE OR MORE PARTICULAR
37 PRESCRIPTION DRUGS, A HIERARCHY OF BENCHMARK INDICES SHALL BE USED IN
38 THEIR HIERARCHICAL ORDER AND SUCH SECONDARY INDEX SHALL BE USED TO
39 PROVIDE PRICING FOR ONLY THOSE DRUGS NOT INCLUDED IN THE MAIN INDEX. IF
40 THE TWO SELECTED BENCHMARKS DO NOT INCLUDE ONE OR MORE PARTICULAR
41 PRESCRIPTION DRUGS, A THIRD BENCHMARK INDEX SHALL BE USED TO PROVIDE
42 PRICING ONLY FOR THOSE DRUGS NOT INCLUDED IN THE MAIN INDEX OR SECONDARY
43 INDEX. ALL PARTICIPATING NETWORK PHARMACIES, NON-MAIL ORDER RETAIL PHAR-
44 MACIES AND MAIL ORDER PHARMACIES, SHALL RECEIVE A DISCLOSURE OF THE
45 REIMBURSEMENT HIERARCHY, THE CURRENT BENCHMARK PRICES FOR THE INDICES
46 INCLUDED IN THE HIERARCHY, AND MONTHLY UPDATES TO THE BENCHMARK PRICES
47 FOR EACH OF THE HIERARCHICAL INDICES. ANY CHANGE TO THE HIERARCHICAL
48 BENCHMARK STRUCTURE SHALL NOT BE MADE UNLESS NOTICE OF SUCH CHANGE HAS
49 BEEN PROVIDED TO ALL PARTICIPATING NETWORK PHARMACIES, AT LEAST THIRTY
50 DAYS IN ADVANCE OF SUCH CHANGE.

51 (2) "MAIL ORDER PHARMACY" SHALL MEAN A PHARMACY WHOSE PRIMARY BUSINESS
52 IS TO RECEIVE PRESCRIPTIONS BY MAIL, TELEFAX OR THROUGH ELECTRONIC
53 SUBMISSIONS AND TO DISPENSE MEDICATION TO PATIENTS THROUGH THE USE OF
54 THE UNITED STATES MAIL OR OTHER COMMON OR CONTRACT CARRIER SERVICES AND
55 PROVIDES ANY CONSULTATION WITH PATIENTS ELECTRONICALLY RATHER THAN
56 FACE-TO-FACE.

1 (3) "STANDARD TERMS AND CONDITIONS" SHALL MEAN THE CONTRACTUAL TERMS
2 AND CONDITIONS APPLICABLE TO ALL NETWORK NON-MAIL ORDER RETAIL PHARMA-
3 CIES, PROVIDED, HOWEVER THAT FOR MAIL ORDER PRESCRIPTIONS THAT ARE
4 SUBJECT TO THE FEDERAL DRUG ADMINISTRATION RISK EVALUATION AND MITI-
5 GATION STRATEGIES PROGRAM, THE INSURANCE POLICY MAY IMPOSE AN ADDITIONAL
6 TERM AND CONDITION REQUIRING DOCUMENTATION STATING THAT THE PHARMACY IS
7 AUTHORIZED TO DISPENSE SUCH MAIL ORDER PRESCRIPTION BEFORE A NON-MAIL
8 ORDER RETAIL PHARMACY MAY BE REIMBURSED FOR DISPENSING SUCH MAIL ORDER
9 PRESCRIPTION DRUG.

10 (II) Every policy that provides coverage for prescription fertility
11 drugs and requires or permits prescription drugs to be purchased through
12 a network participating mail order or other non-retail pharmacy shall
13 provide the same coverage for prescription fertility drugs AND SHALL NOT
14 LIMIT THE SUPPLY THAT MAY BE DISPENSED TO A THIRTY-DAY SUPPLY when such
15 drugs are purchased from a network participating non-mail order retail
16 pharmacy provided that the network participating non-mail order retail
17 pharmacy agrees [in advance through a contractual network agreement,] to
18 the same reimbursement amount[, as well as the same applicable terms and
19 conditions,] AND STANDARD TERMS AND CONDITIONS that the insurer has
20 established for [a] network participating [mail order or other non-re-
21 tail pharmacy] NON-MAIL ORDER RETAIL PHARMACIES. In such case, the poli-
22 cy shall not impose any fee, co-payment, co-insurance, deductible or
23 other condition, INCLUDING REQUIRING MONTHLY REFILLS OF A PRESCRIPTION
24 THAT WAS WRITTEN FOR AND MAY BE FILLED FOR MORE THAN A THIRTY-DAY
25 SUPPLY, on any covered person who elects to purchase prescription
26 fertility drugs through a network participating non-mail order retail
27 pharmacy that it does not impose on any covered person who purchases
28 prescription fertility drugs through a network participating mail order
29 or other non-retail pharmacy; provided, however, that the provisions of
30 this section shall not supersede the terms of a collective bargaining
31 agreement or apply to a policy that is the result of a collective
32 bargaining agreement between an employer and a recognized or certified
33 employee organization.

34 (III) ANY POLICY THAT PROVIDES COVERAGE FOR PRESCRIPTION FERTILITY
35 DRUGS SHALL, IN ADDITION TO THE STANDARD TERMS AND CONDITIONS, REQUIRE
36 MAIL ORDER PHARMACIES TO REPLACE DISPENSED PRESCRIPTION FERTILITY DRUGS
37 THAT HAVE BEEN SPOILED OR DAMAGED, PROVIDED THAT, THE POLICY MAY REQUIRE
38 THAT THE SPOILED OR DAMAGED PRESCRIPTION FERTILITY DRUG BE RETURNED TO
39 THE MAIL ORDER PHARMACY WITH THE COST TO BE BORNE BY SUCH PHARMACY, AND
40 PROVIDED FURTHER THAT SUCH SPOILED OR DAMAGED PRESCRIPTION FERTILITY
41 DRUG SHALL BE REPLACED IN AN AMOUNT THAT IS NOT LESS THAN A ONE MONTH
42 SUPPLY BEFORE RECEIPT OF THE SPOILED OR DAMAGED PRESCRIPTION FERTILITY
43 DRUG. IF SUCH SPOILED OR DAMAGED PRESCRIPTION FERTILITY DRUG IS NOT
44 RETURNED, THE POLICY MAY REQUIRE THE INSURED TO REIMBURSE THE POLICY FOR
45 THE COST OF THE PRESCRIPTION FERTILITY DRUG AND, NOTWITHSTANDING THE
46 FOREGOING, WHEN AN INSURED WHO WAS PREVIOUSLY REQUIRED TO REIMBURSE THE
47 POLICY FOR A DISPENSED PRESCRIPTION FERTILITY DRUG THAT WAS SPOILED OR
48 DAMAGED, THE POLICY MAY REFUSE TO REPLACE SUCH PRESCRIPTION FERTILITY
49 DRUG FOR SUCH INSURED UNTIL SUCH INSURED HAS RETURNED THE SPOILED OR
50 DAMAGED PRESCRIPTION FERTILITY DRUG. REPLACEMENT OF A PRESCRIPTION
51 FERTILITY DRUG PURSUANT TO THIS CLAUSE SHALL NOT BE LIMITED TO A SPECIF-
52 IC NUMBER OF OCCURRENCES DURING A CONTRACT YEAR.

53 S 3. Paragraph 18 of subsection (1) of section 3221 of the insurance
54 law, as amended by chapter 11 of the laws of 2012, is amended to read as
55 follows:

56 (18) (A) DEFINITIONS. FOR THE PURPOSE OF THIS PARAGRAPH:

1 (1) "SAME REIMBURSEMENT AMOUNT" SHALL MEAN THAT ANY COVERAGE DESCRIBED
2 UNDER SUBPARAGRAPH (B) OF THIS PARAGRAPH SHALL USE THE SAME SINGULAR
3 BENCHMARK INDEX, WHICH MAY BE AVERAGE WHOLESAL PRICE, MAXIMUM ALLOWABLE
4 COST, FEDERAL UPPER LIMIT, OR ANOTHER SIMILAR BENCHMARK INDEX USED BY
5 THE INSURANCE INDUSTRY, AND NATIONAL PRESCRIPTION DRUG CODES TO REIM-
6 BURSE ALL PHARMACIES PARTICIPATING IN THE INSURANCE NETWORK FOR ALL
7 PRESCRIPTIONS REGARDLESS OF WHETHER A PHARMACY IS A MAIL ORDER PHARMACY
8 OR A NON-MAIL ORDER RETAIL PHARMACY, PROVIDED, HOWEVER, THAT WHEN THE
9 SELECTED BENCHMARK INDEX DOES NOT INCLUDE ONE OR MORE PARTICULAR
10 PRESCRIPTION DRUGS, A HIERARCHY OF BENCHMARK INDICES SHALL BE USED IN
11 THEIR HIERARCHICAL ORDER AND SUCH SECONDARY INDEX SHALL BE USED TO
12 PROVIDE PRICING FOR ONLY THOSE DRUGS NOT INCLUDED IN THE MAIN INDEX. IF
13 THE TWO SELECTED BENCHMARKS DO NOT INCLUDE ONE OR MORE PARTICULAR
14 PRESCRIPTION DRUGS, A THIRD BENCHMARK INDEX SHALL BE USED TO PROVIDE
15 PRICING ONLY FOR THOSE DRUGS NOT INCLUDED IN THE MAIN INDEX OR SECONDARY
16 INDEX. ALL PARTICIPATING NETWORK PHARMACIES, NON-MAIL ORDER RETAIL PHAR-
17 MACIES AND MAIL ORDER PHARMACIES, SHALL RECEIVE A DISCLOSURE OF THE
18 REIMBURSEMENT HIERARCHY, THE CURRENT BENCHMARK PRICES FOR THE INDICES
19 INCLUDED IN THE HIERARCHY, AND MONTHLY UPDATES TO THE BENCHMARK PRICES
20 FOR EACH OF THE HIERARCHICAL INDICES. ANY CHANGE TO THE HIERARCHICAL
21 BENCHMARK STRUCTURE SHALL NOT BE MADE UNLESS NOTICE OF SUCH CHANGE HAS
22 BEEN PROVIDED TO ALL PARTICIPATING NETWORK PHARMACIES, AT LEAST THIRTY
23 DAYS IN ADVANCE OF SUCH CHANGE.

24 (2) "MAIL ORDER PHARMACY" SHALL MEAN A PHARMACY WHOSE PRIMARY BUSINESS
25 IS TO RECEIVE PRESCRIPTIONS BY MAIL, TELEFAX OR THROUGH ELECTRONIC
26 SUBMISSIONS AND TO DISPENSE MEDICATION TO PATIENTS THROUGH THE USE OF
27 THE UNITED STATES MAIL OR OTHER COMMON OR CONTRACT CARRIER SERVICES AND
28 PROVIDES ANY CONSULTATION WITH PATIENTS ELECTRONICALLY RATHER THAN
29 FACE-TO-FACE.

30 (3) "STANDARD TERMS AND CONDITIONS" SHALL MEAN THE CONTRACTUAL TERMS
31 AND CONDITIONS APPLICABLE TO ALL NETWORK NON-MAIL ORDER RETAIL PHARMA-
32 CIES, PROVIDED, HOWEVER THAT FOR MAIL ORDER PRESCRIPTIONS THAT ARE
33 SUBJECT TO THE FEDERAL DRUG ADMINISTRATION RISK EVALUATION AND MITI-
34 GATION STRATEGIES PROGRAM, THE INSURANCE POLICY MAY IMPOSE AN ADDITIONAL
35 TERM AND CONDITION REQUIRING DOCUMENTATION STATING THAT THE PHARMACY IS
36 AUTHORIZED TO DISPENSE SUCH MAIL ORDER PRESCRIPTION BEFORE A NON-MAIL
37 ORDER RETAIL PHARMACY MAY BE REIMBURSED FOR DISPENSING SUCH MAIL ORDER
38 PRESCRIPTION DRUG.

39 (B) Any insurer delivering a group or blanket policy or issuing a
40 group or blanket policy for delivery in this state that provides cover-
41 age for prescription drugs shall permit each insured to fill any covered
42 prescription that may be obtained at a network participating mail order
43 or other non-retail pharmacy, at the insured's option, at a network
44 participating non-mail order retail pharmacy provided that the network
45 participating non-mail order retail pharmacy [agrees in advance, through
46 a contractual network agreement,] to the same reimbursement amount[, as
47 well as the same applicable terms and conditions,] AND STANDARD TERMS
48 AND CONDITIONS that the insurer has established for the network partic-
49 ipating [mail order or other non-retail pharmacy] FOR NON-MAIL ORDER
50 RETAIL PHARMACIES. In such a case, the policy shall not impose a
51 co-payment fee or other condition, INCLUDING REQUIRING MONTHLY REFILLS
52 OF A PRESCRIPTION THAT WAS WRITTEN FOR AND MAY BE FILLED FOR MORE THAN A
53 THIRTY-DAY SUPPLY, on any insured who elects to purchase drugs from a
54 network participating non-mail order retail pharmacy which is not also
55 imposed on insureds electing to purchase drugs from a network partic-
56 ipating mail order or other non-retail pharmacy; provided, however, that

1 the provisions of this section shall not supersede the terms of a
2 collective bargaining agreement or apply to a policy that is the result
3 of a collective bargaining agreement between an employer and a recog-
4 nized or certified employee organization.

5 (C) ANY POLICY THAT PROVIDES COVERAGE FOR PRESCRIPTION DRUGS SHALL
6 REQUIRE MAIL ORDER PHARMACIES TO REPLACE DISPENSED PRESCRIPTION DRUGS
7 THAT HAVE BEEN SPOILED OR DAMAGED, PROVIDED THAT THE POLICY MAY REQUIRE
8 THAT THE SPOILED OR DAMAGED PRESCRIPTION DRUG BE RETURNED TO THE MAIL
9 ORDER PHARMACY WITH THE COST TO BE BORNE BY SUCH PHARMACY, AND PROVIDED
10 FURTHER THAT SUCH SPOILED OR DAMAGED PRESCRIPTION DRUG SHALL BE REPLACED
11 IN AN AMOUNT THAT IS NOT LESS THAN A ONE MONTH SUPPLY BEFORE RECEIPT OF
12 THE SPOILED OR DAMAGED PRESCRIPTION DRUG. IF THE DAMAGED OR SPOILED
13 PRESCRIPTION DRUG IS NOT RETURNED, THE POLICY MAY REQUIRE THE INSURED TO
14 REIMBURSE THE POLICY FOR THE COST OF THE PRESCRIPTION DRUG AND, NOTWITH-
15 STANDING THE FOREGOING, WHEN AN INSURED WHO WAS PREVIOUSLY REQUIRED TO
16 REIMBURSE THE POLICY FOR A DISPENSED PRESCRIPTION DRUG THAT WAS SPOILED
17 OR DAMAGED, THE POLICY MAY REFUSE TO REPLACE SUCH PRESCRIPTION DRUG FOR
18 SUCH INSURED UNTIL SUCH INSURED RETURNED THE SPOILED OR DAMAGED
19 PRESCRIPTION DRUG. REPLACEMENT OF A PRESCRIPTION DRUG PURSUANT TO THIS
20 SUBPARAGRAPH SHALL NOT BE LIMITED TO A SPECIFIC NUMBER OF OCCURRENCES
21 DURING A CONTRACT YEAR.

22 S 4. Paragraph 4 of subsection (s) of section 4303 of the insurance
23 law, as amended by chapter 10 of the laws of 2012, is amended to read as
24 follows:

25 (4) (A) DEFINITION. FOR THE PURPOSE OF THIS PARAGRAPH:

26 (I) "SAME REIMBURSEMENT AMOUNT" SHALL MEAN THAT ANY COVERAGE DESCRIBED
27 UNDER SUBPARAGRAPH (B) OF THIS SUBSECTION SHALL USE THE SAME SINGULAR
28 BENCHMARK INDEX, WHICH MAY BE AVERAGE WHOLESALE PRICE, MAXIMUM ALLOWABLE
29 COST, FEDERAL UPPER LIMIT, OR ANOTHER SIMILAR BENCHMARK INDEX USED BY
30 THE INSURANCE INDUSTRY, AND NATIONAL PRESCRIPTION DRUG CODES TO REIM-
31 BURSE ALL PHARMACIES PARTICIPATING IN THE INSURANCE NETWORK FOR ALL
32 PRESCRIPTIONS REGARDLESS OF WHETHER A PHARMACY IS A MAIL ORDER PHARMACY
33 OR A NON-MAIL RETAIL ORDER PHARMACY, PROVIDED, HOWEVER, THAT WHEN THE
34 SELECTED BENCHMARK INDEX DOES NOT INCLUDE ONE OR MORE PARTICULAR
35 PRESCRIPTION DRUGS, A HIERARCHY OF BENCHMARK INDICES SHALL BE USED IN
36 THEIR HIERARCHICAL ORDER AND SUCH SECONDARY INDEX SHALL BE USED TO
37 PROVIDE PRICING FOR ONLY THOSE DRUGS NOT INCLUDED IN THE MAIN INDEX. IF
38 THE TWO SELECTED BENCHMARKS DO NOT INCLUDE ONE OR MORE PARTICULAR
39 PRESCRIPTION DRUGS, A THIRD BENCHMARK INDEX SHALL BE USED TO PROVIDE
40 PRICING ONLY FOR THOSE DRUGS NOT INCLUDED IN THE MAIN INDEX OR SECONDARY
41 INDEX. ALL PARTICIPATING NETWORK PHARMACIES, NON-MAIL ORDER RETAIL PHAR-
42 MACIES AND MAIL ORDER PHARMACIES, SHALL RECEIVE A DISCLOSURE OF THE
43 REIMBURSEMENT HIERARCHY, THE CURRENT BENCHMARK PRICES FOR THE INDICES
44 INCLUDED IN THE HIERARCHY, AND MONTHLY UPDATES TO THE BENCHMARK PRICES
45 FOR EACH OF THE HIERARCHICAL INDICES. ANY CHANGE TO THE HIERARCHICAL
46 BENCHMARK STRUCTURE SHALL NOT BE MADE UNLESS NOTICE OF SUCH CHANGE HAS
47 BEEN PROVIDED TO ALL PARTICIPATING NETWORK PHARMACIES, AT LEAST THIRTY
48 DAYS IN ADVANCE OF SUCH CHANGE.

49 (II) "MAIL ORDER PHARMACY" SHALL MEAN A PHARMACY WHOSE PRIMARY BUSI-
50 NESS IS TO RECEIVE PRESCRIPTIONS BY MAIL, TELEFAX OR THROUGH ELECTRONIC
51 SUBMISSIONS AND TO DISPENSE MEDICATION TO PATIENTS THROUGH THE USE OF
52 THE UNITED STATES MAIL OR OTHER COMMON OR CONTRACT CARRIER SERVICES AND
53 PROVIDES ANY CONSULTATION WITH PATIENTS ELECTRONICALLY RATHER THAN
54 FACE-TO-FACE.

55 (III) "STANDARD TERMS AND CONDITIONS" SHALL MEAN THE CONTRACTUAL TERMS
56 AND CONDITIONS APPLICABLE TO ALL NETWORK NON-MAIL ORDER RETAIL PHARMA-

1 CIES, PROVIDED, HOWEVER THAT FOR MAIL ORDER PRESCRIPTIONS THAT ARE
2 SUBJECT TO THE FEDERAL DRUG ADMINISTRATION RISK EVALUATION AND MITI-
3 GATION STRATEGIES PROGRAM, THE INSURANCE POLICY MAY IMPOSE AN ADDITIONAL
4 TERM AND CONDITION REQUIRING DOCUMENTATION STATING THAT THE PHARMACY IS
5 AUTHORIZED TO DISPENSE SUCH MAIL ORDER PRESCRIPTION BEFORE A NON-MAIL
6 ORDER RETAIL PHARMACY MAY BE REIMBURSED FOR DISPENSING SUCH MAIL ORDER
7 PRESCRIPTION DRUG.

8 (B) Every contract issued by a medical expense indemnity corporation,
9 a hospital service corporation or a health services corporation that
10 provides coverage for prescription fertility drugs and requires or
11 permits prescription drugs to be purchased through a network participat-
12 ing mail order or other non-retail pharmacy shall provide the same
13 coverage for prescription fertility drugs AND SHALL NOT LIMIT THE SUPPLY
14 THAT MAY BE DISPENSED TO A THIRTY-DAY SUPPLY when such drugs are
15 purchased from a network participating non-mail order retail pharmacy
16 provided that the network participating non-mail order retail pharmacy
17 agrees [in advance, through a contractual network agreement,] to the
18 same reimbursement amount[, as well as the same applicable terms and
19 conditions,] AND STANDARD TERMS AND CONDITIONS that the corporation has
20 established for the network participating [mail order or other non-re-
21 tail pharmacy] NON-MAIL ORDER RETAIL PHARMACIES. In such case, the
22 contract shall not impose any fee, co-payment, co-insurance, deductible
23 or other condition, INCLUDING REQUIRING MONTHLY REFILLS OF A
24 PRESCRIPTION THAT WAS WRITTEN FOR AND MAY BE FILLED FOR MORE THAN A
25 THIRTY-DAY SUPPLY, on any covered person who does not elect to purchase
26 prescription fertility drugs through a network participating mail order
27 or other non-retail pharmacy; provided, however, that the provisions of
28 this section shall not supersede the terms of a collective bargaining
29 agreement or apply to a contract that is the result of a collective
30 bargaining agreement between an employer and a recognized or certified
31 employee organization.

32 (3) ANY POLICY THAT PROVIDES COVERAGE FOR PRESCRIPTION FERTILITY DRUGS
33 SHALL REQUIRE MAIL ORDER PHARMACIES TO REPLACE DISPENSED PRESCRIPTION
34 FERTILITY DRUGS THAT HAVE BEEN SPOILED OR DAMAGED, PROVIDED THAT THE
35 POLICY MAY REQUIRE THAT THE SPOILED OR DAMAGED PRESCRIPTION FERTILITY
36 DRUG BE RETURNED TO THE MAIL ORDER PHARMACY WITH THE COST TO BE BORNE BY
37 SUCH PHARMACY, AND PROVIDED FURTHER THAT SUCH SPOILED OR DAMAGED
38 PRESCRIPTION FERTILITY DRUG SHALL BE REPLACED IN AN AMOUNT THAT IS NOT
39 LESS THAN A THIRTY DAY SUPPLY BEFORE RECEIPT OF THE SPOILED OR DAMAGED
40 PRESCRIPTION FERTILITY DRUG. IF SUCH SPOILED OR DAMAGED PRESCRIPTION
41 FERTILITY DRUG IS NOT RETURNED, THE POLICY MAY REQUIRE THE INSURED TO
42 REIMBURSE THE POLICY FOR THE COST OF THE PRESCRIPTION FERTILITY DRUG
43 AND, NOTWITHSTANDING THE FOREGOING, WHEN AN INSURED WHO WAS PREVIOUSLY
44 REQUIRED TO REIMBURSE THE POLICY FOR A DISPENSED PRESCRIPTION FERTILITY
45 DRUG THAT WAS DAMAGED OR SPOILED, THE POLICY MAY REFUSE TO REPLACE SUCH
46 PRESCRIPTION FERTILITY DRUG FOR SUCH INSURED UNTIL SUCH INSURED HAS
47 RETURNED THE SPOILED OR DAMAGED PRESCRIPTION FERTILITY DRUG. REPLACEMENT
48 OF A PRESCRIPTION FERTILITY DRUG PURSUANT TO THIS PARAGRAPH SHALL NOT BE
49 LIMITED TO A SPECIFIC NUMBER OF OCCURRENCES DURING A CONTRACT YEAR.

50 S 5. Subsection (kk) of section 4303 of the insurance law, as amended
51 by chapter 11 of the laws of 2012 and as relettered by section 55 of
52 part D of chapter 56 of the laws of 2013, is amended to read as follows:

53 (kk) (1) DEFINITIONS. FOR THE PURPOSE OF THIS SUBSECTION:

54 (A) "SAME REIMBURSEMENT AMOUNT" SHALL MEAN THAT ANY COVERAGE DESCRIBED
55 UNDER PARAGRAPH TWO OF THIS SUBSECTION SHALL USE THE SAME BENCHMARK
56 INDEX, WHICH MAY BE AVERAGE WHOLESALE PRICE, MAXIMUM ALLOWABLE COST,

1 FEDERAL UPPER LIMIT, OR ANOTHER SIMILAR BENCHMARK INDEX USED BY THE
2 INSURANCE INDUSTRY, AND NATIONAL PRESCRIPTION DRUG CODES TO REIMBURSE
3 ALL PHARMACIES PARTICIPATING IN THE INSURANCE NETWORK FOR ALL
4 PRESCRIPTIONS REGARDLESS OF WHETHER A PHARMACY IS A MAIL ORDER PHARMACY
5 OR A NON-MAIL RETAIL ORDER PHARMACY, PROVIDED, HOWEVER, THAT WHEN THE
6 SELECTED BENCHMARK INDEX DOES NOT INCLUDE ONE OR MORE PARTICULAR
7 PRESCRIPTION DRUGS, A HIERARCHY OF BENCHMARK INDICES SHALL BE USED IN
8 THEIR HIERARCHICAL ORDER AND SUCH SECONDARY INDEX SHALL BE USED TO
9 PROVIDE PRICING FOR ONLY THOSE DRUGS NOT INCLUDED IN THE MAIN INDEX. IF
10 THE TWO SELECTED BENCHMARKS DO NOT INCLUDE ONE OR MORE PARTICULAR
11 PRESCRIPTION DRUGS, A THIRD BENCHMARK INDEX SHALL BE USED TO PROVIDE
12 PRICING ONLY FOR THOSE DRUGS NOT INCLUDED IN THE MAIN INDEX OR SECONDARY
13 INDEX. ALL PARTICIPATING NETWORK PHARMACIES, NON-MAIL ORDER RETAIL PHAR-
14 MACIES AND MAIL ORDER PHARMACIES, SHALL RECEIVE A DISCLOSURE OF THE
15 REIMBURSEMENT HIERARCHY, THE CURRENT BENCHMARK PRICES FOR THE INDICES
16 INCLUDED IN THE HIERARCHY, AND MONTHLY UPDATES TO THE BENCHMARK PRICES
17 FOR EACH OF THE HIERARCHICAL INDICES. ANY CHANGE TO THE HIERARCHICAL
18 BENCHMARK STRUCTURE SHALL NOT BE MADE UNLESS NOTICE OF SUCH CHANGE HAS
19 BEEN PROVIDED TO ALL PARTICIPATING NETWORK PHARMACIES, AT LEAST THIRTY
20 DAYS IN ADVANCE OF SUCH CHANGE.

21 (B) "MAIL ORDER PHARMACY" SHALL MEAN A PHARMACY WHOSE PRIMARY BUSINESS
22 IS TO RECEIVE PRESCRIPTIONS BY MAIL, TELEFAX OR THROUGH ELECTRONIC
23 SUBMISSIONS AND TO DISPENSE MEDICATION TO PATIENTS THROUGH THE USE OF
24 THE UNITED STATES MAIL OR OTHER COMMON OR CONTRACT CARRIER SERVICES AND
25 PROVIDES ANY CONSULTATION WITH PATIENTS ELECTRONICALLY RATHER THAN
26 FACE-TO-FACE.

27 (C) "STANDARD TERMS AND CONDITIONS" SHALL MEAN THE CONTRACTUAL TERMS
28 AND CONDITIONS APPLICABLE TO ALL NETWORK NON-MAIL ORDER RETAIL PHARMA-
29 CIES, PROVIDED, HOWEVER THAT FOR MAIL ORDER PRESCRIPTIONS THAT ARE
30 SUBJECT TO THE FEDERAL DRUG ADMINISTRATION RISK EVALUATION AND MITI-
31 GATION STRATEGIES PROGRAM, THE INSURANCE POLICY MAY IMPOSE AN ADDITIONAL
32 TERM AND CONDITION REQUIRING DOCUMENTATION STATING THAT THE PHARMACY IS
33 AUTHORIZED TO DISPENSE SUCH MAIL ORDER PRESCRIPTION BEFORE A NON-MAIL
34 ORDER RETAIL PHARMACY MAY BE REIMBURSED FOR DISPENSING SUCH MAIL ORDER
35 PRESCRIPTION DRUG.

36 (2) Any contract issued by a medical expense indemnity corporation, a
37 hospital service corporation or a health services corporation that
38 provides coverage for prescription drugs shall permit each covered
39 person to fill any covered prescription that may be obtained at a
40 network participating mail order or other non-retail pharmacy, at the
41 covered person's option, at a network participating non-mail order
42 retail pharmacy provided that the network participating non-mail order
43 retail pharmacy agrees [in advance, through a contractual network agree-
44 ment,] to the same reimbursement amount[, as well as the same applicable
45 terms and conditions,] AND STANDARD TERMS AND CONDITIONS that the corpo-
46 ration has established for the network participating [mail order or
47 other non-retail pharmacy] NON-MAIL ORDER RETAIL PHARMACIES. In such a
48 case, the contract shall not impose a copayment fee or other condition,
49 INCLUDING REQUIRING MONTHLY REFILLS OF A PRESCRIPTION THAT WAS WRITTEN
50 FOR AND MAY BE FILLED FOR MORE THAN A THIRTY-DAY SUPPLY, on any covered
51 person who elects to purchase drugs from a network participating non-
52 mail order retail pharmacy which is not also imposed on covered persons
53 electing to purchase drugs from a network participating mail order or
54 other non-retail pharmacy; provided, however, that the provisions of
55 this section shall not supersede the terms of a collective bargaining
56 agreement or apply to a contract that is the result of a collective

1 bargaining agreement between an employer and a recognized or certified
2 employee organization.

3 (3) ANY POLICY THAT PROVIDES COVERAGE FOR PRESCRIPTION DRUGS SHALL
4 REQUIRE MAIL ORDER PHARMACIES TO REPLACE DISPENSED PRESCRIPTION DRUGS
5 THAT HAVE BEEN SPOILED OR DAMAGED, PROVIDED THAT THE POLICY MAY REQUIRE
6 THAT THE SPOILED OR DAMAGED PRESCRIPTION DRUG BE RETURNED TO THE MAIL
7 ORDER PHARMACY WITH THE COST TO BE BORNE BY SUCH PHARMACY, AND PROVIDED
8 FURTHER THAT SUCH SPOILED OR DAMAGED PRESCRIPTION DRUG SHALL BE REPLACED
9 IN AN AMOUNT THAT IS NOT LESS THAN A THIRTY DAY SUPPLY BEFORE RECEIPT OF
10 THE SPOILED OR DAMAGED PRESCRIPTION DRUG. IF SUCH SPOILED OR DAMAGED
11 PRESCRIPTION DRUG IS NOT RETURNED, THE POLICY MAY REQUIRE THE INSURED
12 TO REIMBURSE THE POLICY FOR THE COST OF THE PRESCRIPTION DRUG AND,
13 NOTWITHSTANDING THE FOREGOING, WHEN AN INSURED WHO WAS PREVIOUSLY
14 REQUIRED TO REIMBURSE THE POLICY FOR A DISPENSED PRESCRIPTION DRUG THAT
15 WAS SPOILED OR DAMAGED, THE POLICY MAY REFUSE TO REPLACE SUCH
16 PRESCRIPTION DRUG FOR SUCH INSURED UNTIL SUCH INSURED HAS RETURNED THE
17 SPOILED OR DAMAGED PRESCRIPTION DRUG. REPLACEMENT OF A PRESCRIPTION DRUG
18 PURSUANT TO THIS PARAGRAPH SHALL NOT BE LIMITED TO A SPECIFIC NUMBER OF
19 OCCURRENCES DURING A CONTRACT YEAR.

20 S 6. Severability. If any clause, sentence, paragraph, section or part
21 of this act shall be adjudged by any court of competent jurisdiction to
22 be invalid, the judgement shall not affect, impair, or invalidate the
23 remainder thereof, but shall be confined in its operation to the clause,
24 sentence, paragraph, section or part thereof directly involved in the
25 controversy in which the judgement shall have been rendered.

26 S 7. This act shall take effect immediately.