

STATE OF NEW YORK

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IN ASSEMBLY

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Introduced by M. of A. PEOPLES-STOKES, SKOUFIS, BARRETT, NIOU, ORTIZ, SEPULVEDA, GALEF, ABINANTI, LAVINE, COLTON, JEAN-PIERRE, TAYLOR, BYRNE, WEPRIN -- Multi-Sponsored by -- M. of A. ENGLEBRIGHT, HEVESI, RA -- read once and referred to the Committee on Insurance -- reported from committee, advanced to a third reading, amended and ordered reprinted, retaining its place on the order of third reading -- ordered to a third reading, amended and ordered reprinted, retaining its place on the order of third reading -- passed by Assembly and delivered to the Senate, recalled from the Senate, vote reconsidered, bill amended, ordered reprinted, retaining its place on the order of third reading

AN ACT to amend the insurance law and the public health law, in relation to prescription drug formulary changes during a contract year

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

1 Section 1. The insurance law is amended by adding a new section 4909
2 to read as follows:

3 § 4909. Prescription drug formulary changes. (a) Except as otherwise
4 provided in subsection (c) of this section, a health care plan shall
5 not:

6 (i) remove a prescription drug from a formulary;

7 (ii) move a prescription drug to a tier with a larger deductible,
8 copayment, or coinsurance if the formulary includes two or more tiers of
9 benefits providing for different deductibles, copayments or coinsurance
10 applicable to the prescription drugs in each tier; or

11 (iii) add utilization management restrictions to a prescription drug
12 on a formulary, unless such changes occur at the time of enrollment or
13 issuance of coverage.

14 (b) Prohibitions provided in subsection (a) of this section shall
15 apply beginning on the date on which open enrollment begins for a plan

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

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1 year and through the end of the plan year to which such open enrollment
2 period applies.

3 (c) (i) A health care plan with a formulary that includes two or more
4 tiers of benefits providing for different deductibles, copayments or
5 coinsurance applicable to prescription drugs in each tier may move a
6 prescription drug to a tier with a larger deductible, copayment or coin-
7 insurance if an AB-rated generic equivalent or interchangeable biological
8 product for such prescription drug is added to the formulary at the same
9 time.

10 (ii) A health care plan may remove a prescription drug from a formu-
11 lary if the federal Food and Drug Administration determines that such
12 prescription drug should be removed from the market, including new
13 utilization management restrictions issued pursuant to federal Food and
14 Drug Administration safety concerns.

15 (d) A health care plan shall provide notice to policyholders of the
16 intent to remove a prescription drug from a formulary or alter deduct-
17 ible, copayment or coinsurance requirements in the upcoming plan year,
18 thirty days prior to the open enrollment period for the consecutive plan
19 year. Such notice of impending formulary and deductible, copayment or
20 coinsurance changes shall also be posted on the plan's online formulary
21 and in any prescription drug finder system that the plan provides to the
22 public.

23 § 2. The public health law is amended by adding a new section 4909 to
24 read as follows:

25 § 4909. Prescription drug formulary changes. 1. Except as otherwise
26 provided in subdivision three of this section, a health care plan shall
27 not:

28 (a) remove a prescription drug from a formulary;

29 (b) move a prescription drug to a tier with a larger deductible,
30 copayment, or coinsurance if the formulary includes two or more tiers of
31 benefits providing for different deductibles, copayments or coinsurance
32 applicable to the prescription drugs in each tier; or

33 (c) add utilization management restrictions to a prescription drug on
34 a formulary, unless such changes occur at the time of enrollment or
35 issuance of coverage.

36 2. Prohibitions provided in subdivision one of this section shall
37 apply beginning on the date on which open enrollment begins for a plan
38 year and through the end of the plan year to which such open enrollment
39 period applies.

40 3. (a) A health care plan with a formulary that includes two or more
41 tiers of benefits providing for different deductibles, copayments or
42 coinsurance applicable to prescription drugs in each tier may move a
43 prescription drug to a tier with a larger deductible, copayment or coin-
44 insurance if an AB-rated generic equivalent or interchangeable biological
45 product for such prescription drug is added to the formulary at the same
46 time.

47 (b) A health care plan may remove a prescription drug from a formulary
48 if the federal Food and Drug Administration determines that such
49 prescription drug should be removed from the market, including new
50 utilization management restrictions issued pursuant to federal Food and
51 Drug Administration safety concerns.

52 4. A health care plan shall provide notice to policyholders of the
53 intent to remove a prescription drug from a formulary or alter deduct-
54 ible, copayment or coinsurance requirements in the upcoming plan year,
55 thirty days prior to the open enrollment period for the consecutive plan
56 year. Such notice of impending formulary and deductible, copayment or

1 coinsurance changes shall also be posted on the plan's online formulary
2 and in any prescription drug finder system that the plan provides to the
3 public.

4 § 3. This act shall take effect on the sixtieth day after it shall
5 have become a law; provided, however, that effective immediately, the
6 addition, amendment and/or repeal of any rule or regulation necessary
7 for the implementation of this act on its effective date are authorized
8 to be made and completed by the superintendent of financial services on
9 or before such date.