STATE OF NEW YORK

5022

2017-2018 Regular Sessions

IN SENATE

March 6, 2017

Introduced by Sens. SERINO, MURPHY -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance

AN ACT to amend the insurance 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:

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

§ 4909. Prescription drug formulary changes. (a) A health care plan required to provide essential health benefits shall not, except as otherwise provided in subsection (b) of this section, remove a prescription drug from a formulary:

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

(ii) add utilization management restrictions to a formulary drug, unless such changes occur at the time of enrollment or issuance of coverage. Such prohibition shall apply beginning on the date on which open enrollment begins for a plan year and through the end of the plan year to which such open enrollment period applies.

(b) (i) A health care plan with a formulary that includes two or more tiers of benefits providing for different deductibles, copayments or coinsurance applicable to prescription drugs in each tier may move a prescription drug to a tier with a larger deducible, copayment or coinsurance if an AB-rated generic drug for such prescription drug is added to the formulary at the same time.

(ii) A health care plan may remove a prescription drug from a formulary if the federal food and drug administration determines that such drug should be removed from the market.

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

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