STATE OF NEW YORK

10575

IN ASSEMBLY

June 20, 2024

Introduced by COMMITTEE ON RULES -- (at request of 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:

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

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

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

(a) common definitions;

(b) prescription drug classifications;

(c) retail pricing rules, including maximum allowable cost price lists and dispensing fees; and

(d) any other contract terms the president deems necessary to further the purpose of this section.

3. A pharmacy benefit manager who submits a bid under this section shall provide the president access to complete pharmacy claims data necessary for the president to conduct the reverse auction and to carry out administrative and management duties.

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

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

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

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

7. For the purposes of this section:

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

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

§ 2. This act shall take effect immediately.