STATE OF NEW YORK

7900

2025-2026 Regular Sessions

IN SENATE

May 13, 2025

Introduced by Sen. BAILEY -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance

AN ACT to amend the insurance law and the public health law, in relation to authorizing insurance policies which provide coverage for prescription drugs and involve cost-sharing obligations to offer a program to insureds utilizing rebates or discounts

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

Section 1. Paragraph 27 of subsection (i) of section 3216 of the insurance law, as added by chapter 536 of the laws of 2010, is amended to read as follows:

(27) **(A)** No policy delivered or issued for delivery in this state which provides coverage for prescription drugs and for which cost-sharing, deductibles or co-insurance obligations are determined by category of prescription drugs shall impose cost-sharing, deductibles or co-insurance obligations for any prescription drug that exceeds the dollar amount of cost-sharing, deductibles or co-insurance obligations for non-preferred brand drugs or its equivalent (or brand drugs if there is no non-preferred brand drug category).

(B) Notwithstanding the limitations prescribed in subparagraph (A) of this paragraph or any other provision of law, a policy delivered or issued for delivery in this state which provides coverage for prescription drugs where cost-sharing obligations are determined by category of prescription drugs may offer a program to insureds that utilizes rebates or discounts to lower an insured's cost-sharing for prescription drugs if the insured's cost-sharing under such program would be more favorable than the cost-sharing that would otherwise be applicable to the prescription drug. A program offered pursuant to this subparagraph shall not be deemed a separate tier of drug cost-sharing. A description of the program shall be set forth in the policy or contract, provided, however, such description may refer insureds to a website for

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

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additional information, including details regarding the insured's reduced cost-sharing.

§ 2. Paragraph 16 of subsection (a) of section 3221 of the insurance law, as added by chapter 536 of the laws of 2010, is amended to read as follows:

(16) (A) No policy delivered or issued for delivery in this state which provides coverage for prescription drugs and for which cost-sharing, deductibles or co-insurance obligations are determined by category of prescription drugs shall impose cost-sharing, deductibles or co-insurance obligations for any prescription drug that exceeds the dollar amount of cost-sharing, deductibles or co-insurance obligations for non-preferred brand drugs or its equivalent (or brand drugs if there is no non-preferred brand drug category).

(B) Notwithstanding the limitations prescribed in subparagraph (A) of this paragraph or any other provision of law, a policy delivered or issued for delivery in this state which provides coverage for prescription drugs where cost-sharing obligations are determined by category of prescription drugs may offer a program to insureds that utilizes rebates or discounts to lower an insured's cost-sharing for prescription drugs if the insured's cost-sharing under such program would be more favorable than the cost-sharing that would otherwise be applicable to the prescription drug. A program offered pursuant to this subparagraph shall not be deemed a separate tier of drug cost-sharing. A description of the program shall be set forth in the policy or contract, provided, however, such description may refer insureds to a website for additional information, including details regarding the insured's reduced cost-sharing.

§ 3. Subsection (jj) of section 4303 of the insurance law, as added by chapter 536 of the laws of 2010 and as relettered by section 55 of part D of chapter 56 of the laws of 2013, is amended to read as follows:

(jj) (1) No medical expense indemnity corporation, a hospital service corporation or a health service corporation which provides coverage for prescription drugs and for which cost-sharing, deductibles or co-insurance obligations are determined by category of prescription drugs shall impose cost-sharing, deductibles or co-insurance obligations for any prescription drug that exceeds the dollar amount of cost-sharing, deductibles or co-insurance obligations for non-preferred brand drugs or its equivalent (or brand drugs if there is no non-preferred brand drug category).

(2) Notwithstanding the limitations prescribed in paragraph one of this subsection or any other provision of law, a medical expense indemnity corporation, a hospital service corporation or a health service corporation which provides coverage for prescription drugs where cost-sharing obligations are determined by category of prescription drugs may offer a program to insureds that utilizes rebates or discounts to lower an insured's cost-sharing for prescription drugs if the insured's cost-sharing under such program would be more favorable than the cost-sharing that would otherwise be applicable to the prescription drug. A program offered pursuant to this paragraph shall not be deemed a separate tier of drug cost-sharing. A description of the program shall be set forth in the policy or contract, provided, however, such description may refer insureds to a website for additional information, including details regarding the insured's reduced cost-sharing.

§ 4. Subdivision 7 of section 4406-c of the public health law, as added by chapter 536 of the laws of 2010, is amended to read as follows:

7. (a) No health maintenance organization which provides coverage for prescription drugs and for which cost-sharing, deductibles or co-insurance obligations are determined by category of prescription drugs shall impose cost-sharing, deductibles or co-insurance obligations for any prescription drug that exceeds the dollar amount of cost-sharing, deductibles or co-insurance obligations for non-preferred brand drugs or its equivalent (or brand drugs if there is no non-preferred brand drug category).

(b) Notwithstanding the limitations prescribed in paragraph (a) of this subdivision or any other provision of law, a health maintenance organization which provides coverage for prescription drugs where cost-sharing obligations are determined by category of prescription drugs may offer a program to enrollees that utilizes rebates or discounts to lower an enrollee's cost-sharing for prescription drugs if the enrollee's cost-sharing under such program would be more favorable than the cost-sharing that would otherwise be applicable to the prescription drug. A program offered pursuant to this paragraph shall not be deemed a separate tier of drug cost-sharing. A description of the program shall be set forth in the policy or contract, provided, however, such description may refer enrollees to a website for additional information, including details regarding the enrollee's reduced cost-sharing.

§ 5. This act shall take effect January 1, 2026 and shall apply to policies or contracts issued, renewed, modified, altered or amended on or after such date.