

# 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:

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

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

12 (B) Notwithstanding the limitations prescribed in subparagraph (A) of  
13 this paragraph or any other provision of law, a policy delivered or  
14 issued for delivery in this state which provides coverage for  
15 prescription drugs where cost-sharing obligations are determined by  
16 category of prescription drugs may offer a program to insureds that  
17 utilizes rebates or discounts to lower an insured's cost-sharing for  
18 prescription drugs if the insured's cost-sharing under such program  
19 would be more favorable than the cost-sharing that would otherwise be  
20 applicable to the prescription drug. A program offered pursuant to this  
21 subparagraph shall not be deemed a separate tier of drug cost-sharing. A  
22 description of the program shall be set forth in the policy or contract,  
23 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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1 additional information, including details regarding the insured's  
2 reduced cost-sharing.

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

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

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

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

31 (jj) (1) No medical expense indemnity corporation, a hospital service  
32 corporation or a health service corporation which provides coverage for  
33 prescription drugs and for which cost-sharing, deductibles or co-insu-  
34 rance obligations are determined by category of prescription drugs shall  
35 impose cost-sharing, deductibles or co-insurance obligations for any  
36 prescription drug that exceeds the dollar amount of cost-sharing, deduc-  
37 tibles or co-insurance obligations for non-preferred brand drugs or its  
38 equivalent (or brand drugs if there is no non-preferred brand drug cate-  
39 gory).

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

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

1 7. (a) No health maintenance organization which provides coverage for  
2 prescription drugs and for which cost-sharing, deductibles or co-insu-  
3 rance obligations are determined by category of prescription drugs shall  
4 impose cost-sharing, deductibles or co-insurance obligations for any  
5 prescription drug that exceeds the dollar amount of cost-sharing, deduc-  
6 tibles or co-insurance obligations for non-preferred brand drugs or its  
7 equivalent (or brand drugs if there is no non-preferred brand drug cate-  
8 gory).

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

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