

STATE OF NEW YORK

9191

IN SENATE

February 12, 2026

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

AN ACT to amend the general obligations law, in relation to providing limitations on overlapping control between insurance companies and pharmacy benefits managers and pharmacies

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

1 Section 1. The general obligations law is amended by adding a new
2 section 5-338 to read as follows:

3 § 5-338. Conflicting pharmacy ownership. 1. As used in this section:

4 (a) "Pharmacy" has the meaning set forth in section thirty-three
5 hundred two of the public health law.

6 (b) "Pharmacy benefit manager" means a third-party administrator that
7 manages prescription drug programs for health plans, negotiating costs
8 and ensuring access to medications.

9 (c) "Indirect control" means any agreement, arrangement, contract,
10 ownership stake, or other relationship that gives an owner or operator
11 of a pharmacy the ability to influence or direct the operations of any
12 insurance company or pharmacy benefits manager in the state.

13 2. It shall be unlawful for any person or entity to directly or indi-
14 rectly own, operate, control, or direct the operation of the whole or
15 any part of an insurance company and/or a pharmacy benefit manager
16 and/or a pharmacy or any combination thereof.

17 3. Not later than three years after the effective date of this
18 section, any person or entity in violation of subdivision two of this
19 section shall divest from such pharmacy, insurance company, and/or phar-
20 macy benefit manager.

21 4. The attorney general may bring a civil action against any person or
22 entity that violates this section and may recover the following:

23 (a) a civil penalty of ten thousand dollars per day for a violation of
24 this section; and

25 (b) costs and reasonable attorneys' fees.

26 § 2. This act shall take effect immediately.

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

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