STATE OF NEW YORK

9191--A

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 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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:

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

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

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

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

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

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

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

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

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

(b) costs and reasonable attorneys' fees.

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

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5. An insurance company, pharmacy, or pharmacy benefit manager found in violation of this section by the attorney general shall be ineligible to receive payment under any program authorized pursuant to article five of the social services law until such violation is deemed resolved by the attorney general.

§ 2. This act shall take effect immediately.