STATE OF NEW YORK

9434

IN SENATE

March 12, 2026

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

AN ACT to amend part FFF of chapter 56 of the laws of 2020 relating to directing the department of health to remove the pharmacy benefit from the managed care benefit package and to provide the pharmacy benefit under the fee for service program, in relation to pharmacy benefits where a physician is authorized to dispense certain medications and practices medicine in the oncology setting

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

Section 1. Section 1 of part FFF of chapter 56 of the laws of 2020 relating to directing the department of health to remove the pharmacy benefit from the managed care benefit package and to provide the pharmacy benefit under the fee for service program, as amended by section 1 of part C of chapter 57 of the laws of 2021, is amended to read as follows:

Section 1. The Legislature hereby finds and declares that medical assistance for needy persons is a matter of public concern and a necessity in promoting the public health and welfare and for promoting the state's goal of making available to everyone, regardless of race, age, gender, national origin or economic standing, uniform, high-quality medical care. As the department of health is the single state agency responsible for supervising the administration of the state's medical assistance program (Medicaid), it is tasked with ensuring efficiency, economy, and quality of care in providing benefits to the state's needy persons. To this end and with the fiscal constraints facing our state in mind, the department of health continues to analyze the Medicaid program in search of ways to ensure Medicaid spending is held to the standard of efficiency, economy, and quality of care. In consideration of this standard, the department of health is hereby directed to exercise its existing administrative authority to remove the pharmacy benefit from managed care benefit package and instead provide the pharmacy benefit under the fee for service program, except where otherwise required by federal law **or where a physician or other licensed health care provider is authorized to dispense medications in accordance with section 6807 of the**

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

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education law and is practicing medicine in an oncology setting and is dispensing oncology drugs or drugs related to an approved course of treatment used to manage symptoms related to cancer or cancer therapies, to ensure transparency and that the benefit is provided to the fullest extent and as efficiently as possible; provided, however, that the department of health shall not implement the transition of the pharmacy benefit from the managed care benefit package to the fee for service program sooner than April 1, 2023, and until it is satisfied that all necessary and appropriate transition planning has occurred, in its sole discretion, and federal approvals have been obtained and preparations have been made. Furthermore, to ensure an orderly transition, continued access to medications, and appropriate patient education and support, the department may establish uniform standards, payment policies and reimbursement methodologies for any sites where drugs may be administered or dispensed under the fee for service program; provided that, subject to the availability of federal financial participation, when reimbursing covered entities, as defined under section 340B of the public health service act (42 U.S.C. §256b), for drugs that would otherwise be eligible for pricing under section 340B of the public health service act, the department shall examine all reasonably available methods for determining actual acquisition cost and the professional dispensing fee and, beginning in the fiscal year starting April 1, 2023, review and adjust reimbursement for such drugs such that no sooner than April 1, 2025, reimbursement shall be determined based on a method that the commissioner determines that utilizes the actual acquisition costs and professional dispensing fee.

§ 2. This act shall take effect immediately.