



NEW YORK STATE SENATOR

Joseph P. Addabbo Jr.

## Bill co-sponsored by Addabbo to regulate pharmacy benefit managers and save consumers money on prescription drugs passes Senate and Assembly

SENATOR JOSEPH P. ADDABBO, JR. March 15, 2018

| ISSUE: **PRESCRIPTION DRUGS, HEALTH CARE, ADDABBO**

NYS Senator Joseph P. Addabbo, Jr. joined his colleagues in the Senate and Assembly in approving legislation (S.6940), which he co-sponsors, that will prohibit pharmacy benefit managers from instituting “gag rules” and other limitations on local pharmacists that prevent these medical professionals from providing important drug price information to consumers.

“Pharmacy benefit managers (PBMs) are entities that negotiate medication prices and rebates between insurance companies and drug manufacturers, and then contract with our neighborhood pharmacies,” explained Addabbo. “However, some PBM contracts contain clauses that prohibit our pharmacies from telling their customers that medications they are purchasing through their insurance with co-payments might actually be cheaper if they simply bought them outright with cash. In addition, PBMs are sometimes able to unfairly profit from drug co-payments made by consumers to pharmacies that exceed the cost of the medication itself.”

Under a so-called “clawback” clause, PBMs have been able to take back the difference from the local pharmacy when a consumer provides an insurance co-payment (set by the PBM)

that is higher than the actual cost of the drug. The bill Addabbo is co-sponsoring would prohibit this practice, and ensure that pharmacists are able to tell consumers when it may be less expensive to forego their insurance coverage and buy a medication out of their own pocket.

“Action has been taken in a number of other states to address these issues and provide more transparency to consumers where PBMs are being used,” said Addabbo. “Given the high cost of prescription drugs in general, and how difficult it is for many seniors and other New Yorkers to afford them, we must make sure consumers receive all the information they need and deserve when they visit their local pharmacies.”

“I believe the legislature must do what it can to protect our local pharmacists, since they are entrusted to watch out for our constituent’s health and best interests,” Addabbo concluded.

Now that the legislation has been approved by both houses of the State Legislature, it will be sent to Governor Cuomo for consideration and final action.

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#### RELATED LEGISLATION

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### **2017-S6940**

- 
- Introduced
  - - In Committee Assembly
    - In Committee Senate

- ○ On Floor Calendar Assembly
  - On Floor Calendar Senate

- ○ Passed Assembly
  - Passed Senate

- Vetoed By Governor

- Signed By Governor

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Prohibits pharmacy benefit managers from restricting access to certain drug information and collecting certain payments

November 13, 2017

Senate Floor Calendar

Sponsored by **Kemp Hannon**

Do you support this bill?