



NEW YORK STATE SENATOR

Lea Webb

## Senator Webb and the Senate Majority Pass Legislation to Make Prescription Drugs More Affordable

LEA WEBB January 31, 2024

| ISSUE: **PRESCRIPTION DRUG COSTS**



Under the “New York State Affordable Drug Manufacturing Act” New York Would Become the Second State in the Nation to Pursue its Own Drug Manufacturing to Lower Costs and Protect Against Short Supplies

**(Binghamton, NY)** Senator Lea Webb (SD52) and the Senate Democratic Majority advanced legislation to reduce the cost of prescription drugs, eliminate cost sharing for insulin, and promote health equity for patients in New York. The proposed legislation includes the “New

York State Affordable Drug Manufacturing Act.” If signed into law, New York would become the second state in the nation besides California to pursue its own drug manufacturing to lower costs and protect against short supplies. As prescription drug costs, even for generics, continue to rise out of reach for patients and insurers, this legislation directs the Department of Health to identify generic drugs that are high-cost or susceptible to shortage for manufacturing partnerships. This legislation would allow New York to pursue its own drug manufacturing and partner with other states moving in this direction to both lower costs and protect against drug shortages. Additionally, the Senate Majority is taking action to eliminate cost sharing for insulin, which 1.6 million New Yorkers with diabetes rely upon to be healthy and stay alive.

This package also features legislation that will establish the creation of a wholesale drug importation program; would limit drug manufacturers' ability to prevent competing manufacturers from producing a generic alternative after a certain period of time passes; and requires a utilization review agent to follow certain rules when establishing a step therapy protocol to ensure that patients do not need to try and fail repeatedly on inappropriate medications. This comprehensive approach to healthcare reform underscores the Senate Democratic Majority's commitment to safeguarding the health and financial stability of New York residents.

**Said Senator Lea Webb,** “I frequently hear from constituents who are struggling to pay for their medications, as the cost of prescription drugs, even generic drugs, continues to rise. Additionally, families in my district worry about shortages for important medications like insulin, which 1.6 million New Yorkers with diabetes rely upon for their health and well-being. This package of legislation, including the New York Affordable Drug Manufacturing Act would enact smart, accessible measures to ensure that essential medications and treatments are affordable to families across the Southern Tier.”

The legislation passed on prescription and health affordability by the Senate Majority includes:

- **New York State Affordable Drug Manufacturing Act:** This bill, S4786A, sponsored by Senator Gustavo Rivera, would permit and galvanize the NYS Department of Health and its Commissioner to establish partnerships directly with drug manufacturers to help significantly lower the cost of drugs for consumers by helping secure more generic alternatives to prescription.
- **Prohibits Cost Sharing for Insulin:** This bill, S504A, sponsored by Senator Gustavo Rivera, eliminates any deductible, copayment, coinsurance or any other cost sharing requirement for insulin drugs.
- **Program Eligibility for Plans Comparable to Medicare:** This bill, S966, sponsored by Senator Gustavo Rivera, would allow individuals who have comparable coverage to a Medicare Part D plan to also be eligible for Elderly Pharmaceutical Insurance coverage (EPIC) if they otherwise qualify.
- **Step Therapy Reform:** This bill, S1267, sponsored by Senator Neil Breslin, requires a utilization review agent to follow certain rules when establishing a step therapy protocol. For example, the bill honors step therapy exceptions for 12 months after the date of the approval or renewal of the plan. It also prevents plans from requiring a patient to try and fail more than one drug before providing coverage for the originally prescribed medication.
- **Disclosure of Pay-for-Delay Agreements:** This bill, S3518, sponsored by Nathalia Fernandez, would require drug manufacturers to report all pay for delay agreements to the Attorney General's Office (AG). The AG's office would subsequently report to other state and outside entities and post the notice in a searchable database on its website. Brand-name drug manufacturers typically use pay for delay agreements to delay the entry of lower-cost generic drugs into the market.

- **Prescription Drug Supply Chain Transparency Act:** This bill, S6738A, sponsored by Senator Zellnor Myrie, requires pharmacy services administrative organizations, switch companies, and rebate aggregators to register with the Department of Financial Services. These companies will have to provide certain disclosures like ownership, structure, and audited financials to the Department. The Department will post the information in a searchable database on its website.

**Wholesale Prescription Drug Importation:** This bill, S604, sponsored by Senator James Skoufis, establishes a wholesale prescription drug importation program in New York State, in accordance with federal law, from countries with consumer safety on par with the U.S. drug supply chain system and where significant consumer cost savings are possible.

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#### RELATED LEGISLATION

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## 2023-S4786A

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- Introduced
- - In Committee Assembly
  - In Committee Senate
- - On Floor Calendar Assembly
  - On Floor Calendar Senate
- - Passed Assembly
  - Passed Senate

- Delivered to Governor
- Signed By Governor
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Enacts the "New York affordable drug manufacturing act"

February 14, 2023

In Assembly Committee

Sponsored by **Gustavo Rivera**

Do you support this bill?