



NEW YORK STATE SENATE DEMOCRATIC MAJORITY

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Senate Majority to Pass Legislation to Make Prescription Drugs More Affordable

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

(Albany, NY) The Senate Democratic Majority today will advance 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.

Senate Majority Leader Andrea Stewart-Cousins said, “Accessible and affordable prescription medication is not a luxury but a necessity. I’m proud that today we are taking another step to address the financial burden high prescription drugs place on the livelihood of New Yorkers by reimagining how we manufacture and import these life-saving drugs to make them more affordable. We are dedicated to improving the lives and well-being of all New Yorkers by making essential treatments accessible to everyone. I thank the sponsors for advancing this timely and crucial legislation.”

Bill sponsor and Chair of the Senate Health Committee, Senator Gustavo Rivera said, “I am proud that the Senate Majority is taking legislative action to alleviate the financial burden many New Yorkers are experiencing, specifically when it comes to having access to the medication and prescriptions they need to survive. My groundbreaking New York State Affordable Drug Manufacturing Act will make New York the second state in the nation to collaborate with drug manufacturers to produce our own generic medications, helping to directly address our current drug affordability crisis. A second bill would eliminate co-payments and other cost sharing requirements for insulin, preventing New Yorkers from needing to ration or forgo insulin treatments to make ends meet. Lastly, another would make prescription drugs more affordable by expanding the EPIC program to more seniors. As our State faces an affordability crisis, the Senate Majority is eliminating barriers New Yorkers are facing so they can access the medications they need.”

The legislation being passed on prescription and health affordability on Tuesday, January 30, 2024, 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.

Bill Sponsor Senator Neil Breslin said, "The cost of a prescription drug should never be a deterrent to someone accessing the treatment they need. This patient centered legislative package will not only bring greater transparency to the prescription drug supply chain, but also make prescriptions drugs more affordable."

Bill Sponsor Senator Nathalia Fernandez said, "The Pay-for-Delay Limitation Act is a pivotal step in combating unjust pharmaceutical practices by restricting manufacturers' ability to stifle competition. By mandating timely reporting to the Attorney General's Office, we ensure transparency and accountability, ultimately fostering a fairer and more accessible prescription drug market for consumers. I am honored to join my colleagues as we push for crucial legislation on prescription drug and health affordability."

Bill Sponsor Senator Zellnor Myrie said, "No New Yorker should have to choose between paying for medication and affording housing, food or other necessities. Yet expensive middlemen and intermediaries in the pharmaceutical supply chain can drive up prices without accountability. Our legislation will increase transparency in the industry and give New Yorkers more opportunities to afford the drugs they need."

Bill Sponsor Senator James Skoufis said, "Having long been an advocate for patients, I am glad to stand with my colleagues to advance this package of legislation aimed at combating the sky-high costs of prescription drugs. Access to prescriptions can be the difference between life and death, and no one should have to choose between their medication and putting food on their table. My bill creates a wholesale import program for prescription drugs from countries with consumer safety on par with the US drug supply chain, allowing us to drive down costs by increasing our state's buying power. I applaud my colleagues for advancing this and other efforts to make healthcare more accessible and affordable."

AARP New York State Director Beth Finkel said, "AARP New York applauds the leadership of Majority Leader Andrea Stewart-Cousins and the State Senate for boldly continuing to address

the high cost of prescription drugs. The ever-rising cost of medications impacts all New Yorkers, especially older people living on a fixed income. In an AARP survey in 2022, 87% of New York residents aged 45 and older said they thought being able to pay for prescription drugs is extremely or very important. Four out of five respondents supported requiring pharmaceutical companies to use lower Canadian prices when selling prescription drugs in New York. More needs to be done to bring down prescription drug costs, and the State Legislature and Governor Hochul can accomplish that this year for the betterment of all New Yorkers.”

Monica Billger, Director of State Government Affairs for the American Diabetes Association said, “The American Diabetes Association applauds the New York Senate’s advancement of Senate Bill 504, which eliminates cost-sharing for insulin with state-regulated commercial health insurance plans. As the leading advocacy organization for 1.6 million New Yorkers living with diabetes, we know that too many people have had to ration life-saving insulin because they can't afford it - increasing their risk for complications, hospitalizations, and even death.”

Maria Alvarez, Executive Director of NY StateWide Senior Action Council, said, “NY StateWide Senior Action Council is pleased to see the Senate continuing its long-standing efforts to address the affordability of drugs for all New Yorkers. We have heard from callers to our hotline about their problems paying for prescriptions as well as finding their needed drug in stock. This package of bills will address both issues as well as promote price transparency. Additionally, Senator Rivera's bill (S966) is a particular priority for us, as it is unfortunate that the EPIC program changed its criteria years ago to require a Medicare Part D plan enrollment, even though many are exempt from late penalties for enrolling because the federal government recognizes their coverage to be equitable to Part D coverage.”

Ashira Vantrees of the Aimed Alliance, a not-for-profit health policy organization, said, “The Aimed Alliance greatly appreciates Senator Breslin for his leadership and the Senate Majority for their action passing this crucial legislation. We commend their continued commitment to patient access to lifesaving treatment and medications. With patient well-being at the forefront, S.1267 would provide safeguards against the hurdles of step therapy protocols that prevent patient access. These commonsense protections will ensure New Yorkers receive their necessary treatments quickly and prevent further degeneration and disease progression. Step therapy, often dubbed as "fail first" protocols, force patients into a cycle of trying and failing on alternative treatments before obtaining coverage for their initially prescribed medication. This practice risks exacerbating health conditions, advancing irreversible diseases, and introducing needless complications. The provisions within this bill serve as crucial guardrails to mitigate such adverse impacts on patients and ensure the rational utilization of step therapy protocols.”

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