



NEW YORK STATE SENATE DEMOCRATIC MAJORITY

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Senate Majority to Pass Legislation to Lower Prescription Drug Prices and Bolster Affordability

(Albany, NY) The Senate Democratic Majority today will advance legislation to reduce the cost of prescription drugs and treatment for patients in our state. The proposed bills include measures to cap the cost of insulin to \$30; permit out-of-state prescription drug shipments in times of need; increase seniors' access to prescription drugs; require notifications of drug cost increases to patients; and the creation of a wholesale drug importation program. These provisions make significant progress in improving the cost and accessibility of crucial treatments and will inevitably save New York lives.

Legislation being advanced this week also includes measures to lower the cost of living and increase affordability for New York families. The proposed package enacts the Toll Payer Protection Act; includes an extended notification and grace period for expired vehicle registrations; requires wire fraud transfer warnings; authorizes private right of action in mortgage servicer violations; allows for manufactured home titles to be surrendered as real property, as opposed to personal property; expands eligibility for the Low Interest Rate Program for up to seven years post-graduation; caps the delinquent tax rate and removing the mandatory minimum for municipalities to charge; protects individuals from charges related to bank account closures, and increases penalties against unlicensed brokers. These changes will help disentangle New Yorkers from rampant nickel and diming that quickly snowballs into debt, give more leeway for important relief opportunities, and help keep hard earned dollars in taxpayers pockets.

Senate Majority Leader Andrea Stewart-Cousins said, "The average cost of living for New York families continues to bind households, where hard choices between paying the utility bill or covering the cost of insulin are made every day. These packages of legislation will help ease these burdens by lowering the cost of various prescription drugs, optimizing market prices, cutting away unnecessary red tape, and streamlining services for the middle and working class. I am proud to lead our conference in tackling these pressing issues facing New York State, and I thank the sponsors for advancing this timely and crucial legislation."

The legislation being passed on prescription and health affordability on Tuesday, January 17th by the Senate Majority includes:

- **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 prohibits plans from requiring a patient to step through a drug that it's being used off-label for that patient. It also prevents plans from requiring a patient to try and fail more than one drug before providing coverage for the originally prescribed medication.
- **Exceptions for Nonresident Pharmacies Registration Requirements:** This bill, [S982](#), sponsored by Senator Samra Brouk would permit unregistered pharmacies from outside New York to ship, mail, or deliver prescription drugs to pharmacies in-state in cases of a specific patient need or a declared public health emergency.
- **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.
- **Insulin Cost Cap:** This bill, [S504](#), sponsored by Senator Gustavo Rivera, would lower the current cap on cost sharing for insulin from \$100 per insulin prescription per month to \$30 per month for all insulin drug prescriptions in a given month.
- **Notification for Prescription Drug Changes:** This bill, [S599](#), sponsored by Senator Julia Salazar, would require prescription drug manufacturers to provide at least 60-day notice of their intent to raise wholesale prescription drug costs to the Department of Financial Services if the increase is 10 percent or more of the total cost of the drug.
- **Prohibiting the Price Gouging of Medicine:** This bill, [S608A](#), sponsored by Senator Julia Salazar bars price gouging for drugs subject to a shortage, and holds any party in the chain of distribution for charging an excessive price liable for civil penalties.
- **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.

The legislation being passed on inflation reduction and middle class affordability on Wednesday, January 18th by the Senate Majority includes:

- **Toll Payer Protection Act:** This bill, [S492A](#), sponsored by Senator Leroy Comrie, relates to enacting the "toll payer protection act" which includes a tolls by mail system for the payment of tolls by electronic toll devices; provides for the repeal of such system five years after the enactment of such system.
- **Reasonable Notice for Safety Inspection:** This bill, [S1242](#), sponsored by Senator Simcha Felder, establishes that the Department of Motor Vehicles shall notify individuals via postal mail or electronic notification that their vehicle inspection is subject to expiration thirty days before such expiration, and provides for a five day grace period after the expiration where operators will not be fined.
- **Wire Fraud Warning:** This bill, [S177](#), sponsored by Senate Deputy Leader Michael Gianaris, requires money transmitters to warn customers about consumer fraud related to wire transfers.
- **Private Right of Action in Mortgage Servicer Violations:** This bill, [S564A](#), sponsored by Senator Brian Kavanagh, authorizes a private right of action, counterclaims, and third party claims regarding mortgage servicer violations in foreclosure actions.
- **Conversion of Manufactured Home Titles:** This bill, [S101](#), sponsored by Senator Sean Ryan, facilitates conversion of manufactured home title to be surrendered as real property instead of personal property for purposes of obtaining home mortgages instead of personal property loans. This will help enhance financing options for purchasers of manufactured homes.
- **Expanding Low Interest Rate Program:** This bill, [S935](#), sponsored by Senator Tim Kennedy, expands eligibility for the Low Interest Rate Program, offered by the State of New York Mortgage Agency to graduates of post secondary education or a comparable apprenticeship or workforce training programs, for a period of seven years post-graduation.
- **Bank Account Closure Protections:** This bill, [S1065](#), sponsored by Senator Shelley Mayer, prohibits state-chartered banks from making deposits or withdrawals, keeping or reopening an account, and charging certain maintenance fees if a customer has indicated their desire to close the account.
- **Delinquent Property Tax Rate Cap:** This bill, [S967](#), sponsored by Senator Sean Ryan, caps the interest rate on delinquent property taxes to a maximum of 7.5%, and removes the current 12% floor as the lowest rate municipalities may charge. This change will help New Yorkers resolve their tax foreclosure delinquency and avoid foreclosure.
- **Increased Penalties for Unlicensed Mortgage Brokers:** This bill, [S1144](#), sponsored by Senator James Sanders, increases penalties for unlicensed entities that

engage as mortgage brokers and prohibits others from doing business with unlicensed mortgage brokers.

Senate Deputy Leader Michael Gianaris said, “Whether salacious crimes ripped from the headlines or frauds perpetrated on a daily basis against our seniors, financial scams are all too prevalent. New Yorkers deserve the strongest protections against these predators and my legislation would present a strong defense to keep consumers and their wallets safe. I am pleased the Senate is passing this bill.”

Bill Sponsor **Senator Neil Breslin** said, “It is vitally important that we ensure that the cost of prescription drugs in no way affects the ability of a patient to receive the care he or she needs. This package of bills the Senate Democratic Conference has put forth will reduce the costs of prescription drugs while at the same time putting the patient first.”

Bill Sponsor **Senator Samra Brouk** said, “New Yorkers deserve to access crucial medications whenever they need them. I’m proud that my legislation to make it easier for pharmacies to receive medications from out of state pharmacies has passed the Senate again, and I look forward to this legislation being signed into law. We must ensure that all people, regardless of their income or the reason, can access the quality care they deserve.”

Bill Sponsor **State Senator Leroy Comrie** said, “I have been working closely with my colleagues for years to find the proper balance of protecting New Yorkers who have accumulated a considerable amount of fines and fees and ensuring that the state has adequate enforcement mechanisms against intentional toll violators.” said “My bill, The Toll Payer Protection Act, S492A, will make the current tolling system fairer and more efficient, and protect New York drivers from being surprised by unexpected late fees that could impact their financial bottom line and their very livelihood. I thank Senate Majority Leader Andrea Stewart-Cousins for advancing this important legislation.”

Bill Sponsor **Senator Simcha Felder** said, “Government is supposed to make life easier for taxpayers, so I am proud that we will finally end the practice of charging New Yorkers for these GOTCHA tickets. It is understandable that car inspection is the last thing on the minds of hard-working New Yorkers, up until they find a hefty ticket on their car. If you send them a notice and give them just a bit of grace, they will take care of it. It's a no-brainer and the people of New York deserve no less.”

Bill Sponsor **Senator Brian Kavanagh** said, “Empowering homeowners to protect their homes, preserve their rights, and minimize their financial losses when mortgage servicers violate New York’s foreclosure regulations is especially important now, as many homeowners are still recovering from the hardships imposed by the Covid-19 pandemic. I am proud to sponsor this legislation, [S564A](#), and I thank Senator Sanders and the members of the Banks Committee for advancing the bill to the floor, all my Senate colleagues who are voting to pass it today, and the many organizations in the New Yorkers for Responsible Lending coalition who have advocated to give homeowners these critical homeowner protection tools. I look forward to working with my colleagues in the Assembly and the Governor to enact this important legislation.”

Bill Sponsor **Senator Tim Kennedy** said, “Too many young, professional New Yorkers are being priced out of their livelihoods before they even hit the ground running. My bill to expand the Low Interest Rate Program would take necessary steps to make homeownership more attainable for first time buyers, and help retain the skills and expertise of graduates within our own communities. This legislation will go a long way in keeping New York excellence right here at home, and I want to thank Leader Andrea Stewart-Cousins for advancing it today. This is one of many actions we are taking to accelerate the economic growth and wellbeing of our residents and state.”

Bill Sponsor **Senator Shelley Mayer** said, “For many years consumers have complained about the difficulty of closing a bank account. Banks will often keep open or reopen customers’ accounts, even after notification that the account should be closed, and charge these customers for low account balances and overdraft penalties when third parties request payments from the account. Regulation and transparency in banking is of the utmost importance for consumers. My bill, S1065, will prohibit state-chartered banks from making deposits or withdrawals, keeping or reopening an account, and charging certain maintenance fees if a customer has indicated their desire to close the account. I am pleased that it will be included in the Senate’s inflation reduction and affordability package. Thank you to Senate Majority Leader Andrea Stewart Cousins and my colleagues for your attention to this important issue.”

Bill Sponsor **Senator Gustavo Rivera** said, “I am proud that the Senate Majority is taking immediate legislative action to alleviate the financial squeeze many New Yorkers are facing, particularly when it comes to affordable prescriptions. Two of my bills in this package will make prescription drugs more affordable by expanding EPIC coverage to more seniors and further capping the cost of insulin, a life-saving medication. New Yorkers should not need to ration insulin to make ends meet or choose between necessary medicine and rent.”

Bill Sponsor **Senator Sean Ryan** said, “Every year, many New Yorkers who have fallen on hard times have their misfortune compounded by unfair interest rates for back property taxes. These outdated, punitive rates often keep homeowners from recovering from their financial distress and can make it impossible to build wealth. By paving the way for municipalities to lower their interest rates to modern standards, this bill will help us to break this cycle of poverty while also cutting down on zombie properties in cities across New York.”

Bill Sponsor **Senator Julia Salazar** said, “New Yorkers should not have to shoulder an unreasonable financial burden simply to afford the costs of essential prescription drugs, which are often subject to extreme price hikes with little to no warning. Our bill, S599, would require drug manufacturers to provide notice of their intent to raise prescription costs by 10% or more. It’s time to demand transparency from pharmaceutical companies who continue to prioritize profit over the accessibility of often life-saving prescription medications.”

Bill Sponsor **Senator James Skoufis** said, “I am grateful to my Senate colleagues for once again sticking up for New York’s families. Our prescription drug package will save residents

hundreds of dollars and numerous headaches each year, making it easier for them to access important therapeutics without padding the pockets of big pharma.”

Beth Finkel, AARP New York State Director said, “Importing safe prescription drugs from Canada at much lower prices, requiring big drug makers to publicly disclose proposed price hikes ahead of time, capping out-of-pocket costs for insulin at \$30 a month for New Yorkers, and allowing more seniors to benefit from the EPIC program are all common-sense, pro-consumer proposals, and AARP New York wholeheartedly supports them. For similar reasons, we also support Senator Kavanagh’s bill to give consumers powerful tools to fight unfair foreclosures.”

Ashira Vantrees of the Aimed Alliance said, “The Aimed Alliance thanks Senator Breslin for his sponsorship and applauds the Senate for acting on common sense legislation that would provide strong patient protections for insurance plans to follow when establishing step therapy protocols. These commonsense protections will ensure New Yorkers receive their appropriate treatments in a timely manner. Step Therapy, also known as “fail first ” protocols, requires insured individuals to try and fail on alternative treatments, before the plan will cover their originally prescribed treatment. This may cause adverse health effects, progression of irreversible diseases, and other complications. The guardrails in this legislation can help limit these patient impacts and ensure step-therapy protocols are used reasonably.”

Monica Billger, Director of State Government Affairs for the American Diabetes Association said, “The American Diabetes Association applauds Chairman Rivera’s critical legislation to limit insulin cost sharing to \$30 per calendar month. One in six insulin-dependent people living with diabetes are forced to ration their insulin. Every day someone is faced with the unconscionable decision of purchasing life-saving medication or prioritizing other basic life necessities like food, utilities or housing. People shouldn’t be at risk for dying because they cannot afford their medication.”

Oda C. Friedheim, Supervising Attorney, Foreclosure Prevention Unit, The Legal Aid Society said, “In 2020 the Department of Financial Services (DFS) promulgated strong rules governing mortgage servicers. The Legal Aid Society welcomes the passage of Senate Bill 564A which by authorizing a private right of action to enforce these rules would provide a powerful tool to homeowners facing foreclosure to defend against the many abuses on the part of mortgage servicers.”

David R. Jones, The Community Service Society of New York (CSS) President and CEO said, “The Community Service Society of New York (CSS) supports the State Senate’s efforts to enact legislation that would reduce the costs of prescription drugs and protect consumers from mortgage abuses. The legislation prioritizes the interests of everyday New Yorkers while improving affordability and protecting New York families.”

Heather Ferrarese PharmD, The Pharmacists Society of the State of New York (PSSNY) President said, “The Pharmacists Society of the State of New York appreciates the Senate moving quickly on this important patient medication issue in the wake of the Governor’s veto. Pharmacists, like their counterparts in other states, need access to every

tool to provide the best patient care and ensure access to medication. Whether it be COVID, influenzas, RSV, or medication for women’s reproductive services this bill ensures pharmacists have every tool available. We applaud Senator Brouk for moving quickly, and thank Majority Leader Stewart-Cousins for her Leadership on this issue.”

Kirsten Keefe, Senior Attorney and Director of Empire Justice Center’s Anchor Partner program under the Homeowner Protection Program (HOPP) said, “Empire Justice Center strongly supports the two Senate bills that would provide relief to distressed homeowners. First, S.967 addresses rising tax delinquencies that advocates are seeing across the state by reducing the interest rate on delinquent taxes from 12% to 7.5%, making it more likely that homeowners will be able to cure defaults and stay in their homes. The second bill, S.564A, would ensure homeowners don’t lose their homes because of servicers violations of New York State’s common sense mortgage servicing regulations – currently only enforceable by the Department of Financial Services. Homeowners would be able to raise material violations as a defense to their foreclosure or bring a separate action if the violation harms the homeowner.”

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