

SENATE, No. 3703

STATE OF NEW JERSEY
221st LEGISLATURE

INTRODUCED SEPTEMBER 30, 2024

Sponsored by:
Senator JOSEPH F. VITALE
District 19 (Middlesex)

SYNOPSIS

Requires cost sharing amounts for certain prescription drug benefits to be based on final cost to carrier.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning prescription drug benefits and supplementing
2 P.L.2015, c.179 (C.17B:27F-1 et seq.).
3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*
6

7 1. a. A carrier shall base any cost sharing required to be paid by
8 a covered person for a prescription drug on the final amount paid for
9 the prescription drug by the carrier, after:

10 (1) any price negotiation by the carrier or a pharmacy benefits
11 manager under contract with the carrier; or

12 (2) the deduction of any compensation remitted by or on behalf
13 of a pharmaceutical manufacturer, developer, or labeler, directly or
14 indirectly, to the carrier or to a pharmacy benefits manager under
15 contract with the carrier.

16 b. As used in this section:

17 "Carrier" means an insurance company, health service
18 corporation, hospital service corporation, medical service
19 corporation, prepaid prescription service organization, or health
20 maintenance organization authorized to issue health benefits plans in
21 this State. "Carrier" shall also include the State Health Benefits
22 Program and the School Employees' Health Benefits Program.

23 "Compensation" means any direct or indirect financial benefit,
24 including, but not limited to, rebates, discounts, credits, fees, grants,
25 chargebacks or other payments or benefits of any kind, that is
26 attributed to, directly or indirectly, the utilization of a health benefits
27 plan or enrollment in a health benefits plan, regardless of how the
28 benefits are otherwise characterized by a carrier or pharmacy benefits
29 manager and relevant third parties.
30

31 2. This act shall take effect immediately and shall apply to health
32 benefits plans issued or renewed on or after January 1 of the next
33 calendar year following the date of enactment.
34
35

36 STATEMENT
37

38 This bill requires the cost sharing amounts for certain prescription
39 drug benefits to be based on the final cost of those prescription drugs
40 to the carrier.

41 Specifically, the bill requires carriers to base any cost sharing
42 required to be paid by a covered person for a prescription drug on the
43 final amount paid for the prescription drug by the carrier, after:

44 (1) any price negotiation by the carrier or a pharmacy benefits
45 manager under contract with the carrier; and

46 (2) the deduction of any compensation remitted by or on behalf
47 of a pharmaceutical manufacturer, developer, or labeler, directly or

S3703 VITALE

3

1 indirectly, to the carrier or to a pharmacy benefits manager under
2 contract with the carrier.

3 As used in the bill, “carrier” includes the various entities licensed
4 by the State to provide health insurance, as well as the State Health
5 Benefits Program and the School Employees' Health Benefits
6 Program.