

ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE

STATEMENT TO ASSEMBLY, No. 1510

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 4, 2026

The Assembly Financial Institutions and Insurance Committee reports favorably and with committee amendments Assembly Bill No. 1510.

This bill improves access to lower cost generic and biosimilar drugs and revises certain requirements regarding dispensing of certain drugs by pharmacies.

Under the bill, existing requirements regarding the dispensing of biological products by pharmacies are revised to now include requirements for the dispensing of biosimilars and reference products. The bill also removes requirements concerning communications regarding the dispensing of a biological product between pharmacists and prescribers and includes a new formulary requirement. Specifically, the bill stipulates that carriers or pharmacy benefits managers immediately review biosimilar or interchangeable drugs for inclusion in their formularies if the biosimilar or interchangeable drug is approved by the federal Food and Drug Administration, marketed pursuant to the approval, and has a lower Wholesale Acquisition Cost (WAC) to the carrier or pharmacy benefits manager than the reference product for which it is deemed biosimilar or interchangeable. Upon the biosimilar or interchangeable drug's inclusion in the formulary of the carrier or pharmacy benefits manager, the carrier or pharmacy benefits manager must:

(1) immediately make the biosimilar or interchangeable drug available with the same or more favorable cost sharing, including actual out-of-pocket cost, relative to the reference product; and

(2) not impose any prior authorization, step therapy limitation, or other restrictions on a health care prescriber or pharmacy that makes it more difficult for a covered person to obtain coverage of, or access to, the biosimilar or interchangeable drug than the reference product.

Further, under the bill, certain guidelines are established to improve patient access to generic and biosimilar drugs in the State Health Benefits Program, School Employees Health Benefits Program, and the State Medicaid program. Among the bill's provisions, the bill provides a preference to biosimilars if a covered person or enrollee is

prescribed a brand drug that the covered person or enrollee has not previously been prescribed, if a biosimilar drug is available. The bill provides that vendors that contract with the State Health Benefits Program and the School Employees Health Benefits Program, and managed care organizations that administer the State Medicaid program, publish an up-to-date, accurate, and complete list of all covered drugs in its formulary, including any tiering structure that they have adopted and any restrictions on the manner in which a drug can be obtained, in a manner that is easily accessible to covered persons, enrollees, and the general public.

The bill provides that if a generic or biosimilar drug is licensed by the FDA, is marketed pursuant to the generic or biosimilar drug's licensure, and has a wholesale acquisition cost that is less than the wholesale acquisition cost of the reference listed drug or reference product on the initial date of the generic or biosimilar drug's marketing, then vendors and managed care organizations that provide coverage for the generic drug or biosimilar's reference listed drug or reference product at the time of the generic drug or biosimilar's marketing date shall:

(1) immediately make at least one biosimilar available on the formulary on a tier with more favorable cost sharing, including actual out-of-pocket costs, relative to the reference product; and

(2) not impose any prior authorization, step therapy, or other limitation on coverage of a biosimilar for which formulary placement is required under the provisions of the bill, nor impose any restriction on a pharmacy through which a covered person or enrollee may obtain the generic drug or biosimilar that makes it more difficult for a covered person or enrollee to obtain coverage of, or obtain access to, the generic drug or biosimilar than the reference listed drug or reference product.

Finally, the bill provides that a vendor or managed care organization does not have to provide coverage for a brand drug, generic drug, or biosimilar if the clinical and pharmacy experts that develop the formulary determine that the drug or biosimilar is no longer medically appropriate or cost-effective.

This bill was prefiled for introduction in the 2026-2027 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) revise certain requirements regarding the dispensing of certain drugs by pharmacies;

(2) remove existing requirements concerning communications regarding the dispensing of a biological product between pharmacists and prescribers;

(3) require that carriers or pharmacy benefits managers immediately review FDA approved and marketed biosimilar or interchangeable drugs for inclusion in their formularies if the drugs have a lower Wholesale Acquisition Cost (WAC) than the reference product for which the drug is deemed biosimilar or interchangeable; and

(4) revise the term “therapeutically equivalent.”