

ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE  
COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 2222**

**STATE OF NEW JERSEY**

DATED: FEBRUARY 13, 2020

The Assembly Financial Institutions and Insurance Committee reports favorably Assembly Bill No. 2222.

This bill requires carriers to pass prescription drug savings on to consumers. The bill provides that all compensation paid by a pharmaceutical manufacturer to a pharmaceutical benefits manager as a result of negotiations of a reduced price for a pharmaceutical between a pharmacy benefits manager and a manufacturer, in relation to a contract between a pharmacy benefits manager and a carrier related to its prescription drug benefits, shall be remitted to and retained by the carrier and must be used by the carrier to lower the premium for covered persons under the carrier's health benefits plan.

In addition, the bill provides that a carrier shall annually file with the commissioner a report demonstrating how the carrier has complied with the provisions of the bill.

Under the bill, "compensation" is defined as any direct or indirect financial benefit, including, but not limited to, rebates, discounts, credits, fees, grants, charge-backs, or other payments or benefits of any kind.

This bill was pre-filed for introduction in the 2020-2021 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.