

SENATE, No. 1729

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

Sponsored by:

Senator JOSEPH A. LAGANA

District 38 (Bergen and Passaic)

SYNOPSIS

Places \$100 cap on amount paid by covered persons for purchase of insulin drugs; requires Division of Consumer Affairs to investigate insulin prices.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning prescription insulin coverage and
2 supplementing P.L.1997, c.192.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. a. A carrier that provides coverage for prescription drugs
8 pursuant to the terms of a health benefits plan offered by the carrier
9 shall not require a covered person to pay, for a covered prescription
10 insulin drug, an amount exceeding \$100 per 30 day supply of
11 insulin, regardless of the amount or type of insulin needed to fill the
12 covered person's prescription.

13 b. Nothing in this section shall prevent a carrier from reducing
14 a covered person's cost sharing by an amount greater than the
15 amount specified in this section.

16 c. As used in this section, "prescription insulin drug" means
17 articles that contain insulin and are used to treat diabetes, including:

18 (1) articles recognized in the official United States
19 Pharmacopoeia, official Homeopathic Pharmacopoeia of the United
20 States, or official National Formulary, or any supplement to any of
21 them;

22 (2) articles intended for use in the diagnosis, cure, mitigation,
23 treatment or prevention of disease in man or other animals;

24 (3) articles, other than food, intended to affect the structure or
25 any function of the body of man or other animals; and

26 (4) articles intended for use as a component of any article
27 specified in clause (1), (2), or (3).

28 "Prescription insulin drug" does not include biological products,
29 or devices or their components, parts, or accessories.

30
31 2. a. The Division of Consumer Affairs in the Department of
32 Law and Public Safety shall investigate the pricing of prescription
33 insulin drugs made available to New Jersey consumers to ensure
34 adequate consumer protections in the pricing of prescription insulin
35 drugs and to determine whether additional consumer protections are
36 needed.

37 b. As part of the investigation, the division shall gather,
38 compile, and analyze information concerning the organization,
39 business practices, pricing information, data, reports, or any other
40 information that the division finds necessary to fulfill the
41 requirements of this section, from companies engaged in the
42 manufacture or sale of prescription insulin drugs. The division
43 shall also consider any publicly available information related to
44 drug pricing.

45 c. If necessary to fulfill the reporting requirements of this
46 section, the Attorney General may request that a State department,
47 carrier, pharmacy benefits manager, or manufacturer of prescription

1 insulin drugs that are made available in this State, furnish material,
2 answers, data, or other relevant information.

3 d. Within six months after enactment of P.L. , c. (C.)
4 (pending before the Legislature as this bill), the division shall issue
5 and make available to the public a report detailing its findings. The
6 division shall present the report to the Governor, the Commissioner
7 of Banking and Insurance, and the Legislature pursuant to section 2
8 of P.L.1991, c.164 (C.52:14-19.1). The report shall include:

9 (1) A summary of insulin pricing practices and variables that
10 contribute to the pricing of health benefits plans;

11 (2) Recommendations concerning how to:

12 (a) control and prevent the overpricing of prescription insulin
13 drugs made available to New Jersey consumers; and

14 (b) prevent deceptive sales practices related to the sale of
15 prescription insulin drugs, including the pricing of those drugs; and

16 (3) Any other information the division finds necessary.
17

18 3. This act shall take effect on the first day of the seventh
19 month next following the date of enactment, but the Commissioner
20 of Banking and Insurance may take such anticipatory administrative
21 action in advance thereof as shall be necessary for the
22 implementation of the act.
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26 STATEMENT

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28 This bill provides that carriers that provide coverage for
29 prescription drugs pursuant to the terms of a health benefits plan
30 offered by the carrier are prohibited from requiring a covered
31 person to pay, for a covered prescription insulin drug, an amount
32 exceeding \$100 per 30 day supply of insulin, regardless of the
33 amount or type of insulin needed to fill the covered person's
prescription.

34 In addition, the bill requires the Division of Consumer Affairs in
35 the Department of Law and Public Safety to investigate the pricing
36 of prescription insulin drugs that are available to New Jersey
37 consumers to determine whether additional consumer protections in
38 the pricing of prescription insulin drugs are needed.

39 The division is required to issue and make available to the public
40 a report detailing its findings and present the report to the
41 Governor, the Commissioner of Banking and Insurance, and the
42 Legislature.