

**TITLE OF BILL:** An act to amend the public health law and the insurance law, in relation to cost-sharing, deductible or co-insurance for tier IV prescription drugs; and to amend the executive law, in relation to unlawful discriminatory practice in relation to tier IV prescription drugs.

Provides that no health care plan or health insurance policy which provides coverage for prescription drugs and for which cost-sharing, deductibles or co-insurance obligations are determined by category of prescription drugs including, but not limited to, generic drugs, preferred brand drugs and non-preferred brand drugs, shall impose cost-sharing, deductibles or co-insurance obligations for any prescription drug that exceeds the dollar amount of cost-sharing, deductibles or co-insurance obligations for any other prescription drug provided under such coverage in the category of non-preferred brand drugs or their equivalents.

**JUSTIFICATION:** As drug prices continue to climb, other states have seen commercial health insurance plans address this increase by creating a new cost sharing mechanism within their drug plans. This mechanism, called "specialty tiers," dramatically increases the amount that consumers pay for their medications. Instead of the three tiered drug formulary structure used by most plans where tier one is for generic drugs, tier two is for brand-name preferred drugs and tier three is for brand-name non-preferred drugs, some plans have started to introduce fourth tiers or "specialty tiers" that are reserved for the most expensive medications. The medications in this tier are assigned a coinsurance, a percentage of the cost of the medication, as opposed to a set dollar amount used in the other three tiers (\$10 for generic, \$25 for preferred, \$50 for non-preferred). The medications placed in this tier are assigned a co-insurance of between 20-35% and can cost upwards of \$3,000 per month. This means that consumers are asked to pay between \$250 to over \$1,000 for one month's supply of one medication. If subject to a 25-33% co-insurance, a monthly supply of the medications used to treat MS would cost between \$500 and \$775. Paying \$500 to \$775 for one month's supply of medication would be a strain on anyone. However, people living with chronic illnesses are most likely to be among those impacted by this new formulary tier and are also the most likely to be taking several other medications in addition to all of their other medical expenditures. Attaching this kind of cost sharing burden to these crucial medications used to slow down the progression of chronic, disabling conditions like MS and Rheumatoid Arthritis, or saving lives like in the treatment of HIV, breast and colorectal cancers, leukemia and non-Hodgkins lymphoma, will in many cases lead to discontinuation of use.