

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 334

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 10, 2022

The Senate Commerce Committee reports favorably and with committee amendments Senate Bill No. 334.

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 insured prescription drug benefits, would be remitted to and retained by the carrier. Thereafter, the carrier would be required to use these amounts to lower the premium for covered persons under the carrier's health benefits plan or to allow for remittance directly to the covered person's at the point of sale to reduce the insured's out of pocket costs.

In addition, the bill requires each carrier to annually file a report, with the commissioner, 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, but excludes any performance compensation agreement paid by a manufacturer, developer, or labeler.

This bill was pre-filed for introduction in the 2022-2023 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) clarify the definition of "compensation" pursuant to the bill;
and

(2) stipulate that the provisions of the bill are to apply to plans issued or renewed on or after January 1 of the calendar year after the date of enactment.