

# ASSEMBLY, No. 3536

## STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED FEBRUARY 25, 2020

**Sponsored by:**

**Assemblywoman VALERIE VAINIERI HUTTLE**

**District 37 (Bergen)**

**SYNOPSIS**

Limits amount paid by covered persons for purchase of insulin drugs and epinephrine; requires Division of Consumer Affairs to investigate insulin prices.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning insurance coverage of prescription insulin and  
2 epinephrine and 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:

10 (1) an amount exceeding \$100 for a 30 day supply of insulin; or  
11 (2) an amount exceeding \$100 for a package of two epinephrine  
12 auto-injector devices.

13 b. As used in this section, “prescription insulin drug” means  
14 articles that contain insulin and are used to treat diabetes, including:  
15 (1) articles recognized in the official United States Pharmacopoeia,  
16 official Homeopathic Pharmacopoeia of the United States, or  
17 official National Formulary, or any supplement to any of them; (2)  
18 articles intended for use in the diagnosis, cure, mitigation, treatment  
19 or prevention of disease; (3) articles, other than food, intended to  
20 affect the structure or any function of the body; and (4) articles  
21 intended for use as a component of any article specified in clause  
22 (1), (2), or (3). “Prescription insulin drug” shall not include  
23 biological products, or devices or their components, parts, or  
24 accessories.

25  
26 2. a. The Division of Consumer Affairs in the Department of  
27 Law and Public Safety shall investigate the pricing of prescription  
28 insulin drugs made available to New Jersey consumers to ensure  
29 adequate consumer protections in the pricing of prescription insulin  
30 drugs and to determine whether additional consumer protections are  
31 needed.

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

40 c. If necessary to fulfill the reporting requirements of this  
41 section, the Attorney General may request that a State department,  
42 carrier, pharmacy benefits manager, or manufacturer of prescription  
43 insulin drugs that are made available in this State, furnish material,  
44 answers, data, or other relevant information.

45 d. Within six months after enactment of P.L. , c. (C. )  
46 (pending before the Legislature as this bill), the division shall issue  
47 and make available to the public a report detailing its findings. The  
48 division shall present the report to the governor, the Commissioner

1 of Banking and Insurance, and the Legislature pursuant to P.L.1991,  
2 c.164 (C.52:14-19.1). The report shall include:

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

5 (2) Recommendations concerning how to:

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

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

10 (3) Any other information the division finds necessary.  
11

12 3. a. Section 1 of this act shall take effect on the first day of  
13 the seventh month next following the date of enactment, but the  
14 Commissioner of the Department of Banking and Insurance may  
15 take such anticipatory administrative action in advance thereof as  
16 shall be necessary for the implementation of the act.

17 b. Section 2 of this act shall take effect immediately.  
18  
19

20 STATEMENT  
21

22 This bill requires that carriers that provide coverage for  
23 prescription drugs pursuant to the terms of a health benefits plan  
24 offered by the carrier are prohibited from requiring a covered  
25 person to pay an amount exceeding \$100 for a 30 day supply of  
26 insulin; or an amount exceeding \$100 for a package of two  
27 epinephrine auto-injector devices.

28 In addition, the bill requires the Division of Consumer Affairs in  
29 the Department of Law and Public Safety to investigate the pricing  
30 of prescription insulin drugs that are available to New Jersey  
31 consumers to determine whether additional consumer protections in  
32 the pricing of prescription insulin drugs are needed.

33 The division is required to issue and make available to the public  
34 a report detailing its findings and present the report to the  
35 Governor, the Commissioner of Banking and Insurance, and the  
36 Legislature.