



STATE OF NEW YORK
EXECUTIVE CHAMBER
ALBANY 12224

VETO # 245

December 23, 2019

TO THE ASSEMBLY:

I am returning herewith, without my approval, the following bill:

Assembly Bill Number 2969-A, entitled:

“AN ACT to amend the insurance law and the public health law, in relation to prescription drug formulary changes during a contract year”

NOT APPROVED

This bill would prohibit health care plans from making changes to their formulary during the middle of a plan year. Currently, when the price of a widely used drug is increased, health care plans adjust their formularies accordingly to keep the prescription drug benefit within the premium set at the beginning of the plan year.

The legislation would prevent any mid-year adjustments. Insurers would have to anticipate and set rates for hypothetical future drug price increases, causing higher premiums for everyone. Meanwhile, pharmaceutical companies would be able to raise their prices with impunity. While it is couched as protective of consumers, this bill would in fact be anti-consumer, driving rate increases across the board. For these reasons, I am constrained to veto this bill.

The bill is disapproved.

A handwritten signature in black ink, appearing to read 'Andrew Cuomo', written in a cursive style.