

**NEW YORK STATE  
DEPARTMENT OF FINANCIAL SERVICES  
FIRST AMENDMENT TO 11 NYCRR 450  
(INSURANCE REGULATION 219)**

**PHARMACY BENEFITS BUREAU**

I, Adrienne A. Harris, Superintendent of Financial Services, pursuant to the authority granted by Financial Services Law Sections 102, 201, 202, 203, 205, 301, 302, 305, and 306; Insurance Law Sections 110, 111, 202, 301, 306, 308, 316, 405, 2903, and 2906; Public Health Law Section 280-a; Part XX of Chapter 56 of the Laws of 2020, and Chapter 828 of the Laws of 2021, as amended by Chapter 128 of the Laws of 2022, do hereby promulgate the following First Amendment to Part 450 of Title 11 of the Official Compilation of Codes, Rules and Regulations of the State of New York (Insurance Regulation 219), to take effect upon publication of the Notice of Adoption in the State Register, to read as follows:

**(New Matter is Underlined; Matter In Brackets Is Deleted)**

**The title of Chapter XXI is amended as follows:**

**CHAPTER XXI: [OFFICE OF] PHARMACY BENEFITS BUREAU**

**The title of Part 450 is amended as follows:**

Part 450: [Office of Pharmacy Benefits] General Provisions

**Section 450.1 is amended as follows:**

As used in this part:

(a) *Board* shall mean the Drug Accountability Board established by [Section 202 of the] Insurance Law section 202.

(b) [*Office*] Bureau shall mean the [Office of] Pharmacy Benefits Bureau established by this Part.

(c) *Chair* shall mean the chair of the Drug Accountability Board appointed by the superintendent.

**The title and text of Section 450.2 are amended as follows:**

Section 450.2 [Office] Bureau established.

(a) There is hereby established within the department [an Office of] a Pharmacy Benefits Bureau, which [office] bureau shall be responsible for the regulation of pharmacy benefits managers, conducting investigations with respect to prescription drugs, and other matters assigned by the superintendent. Except as may be limited by order of the superintendent, the [person appointed as director of the Office] deputy superintendent of pharmacy benefits shall be authorized to take any action that the superintendent is authorized to take under the Insurance Law or Public Health Law section 280-a, and any action authorized under any other provision of law with respect

to investigations authorized under Insurance Law section 111.

(b) All documents submitted to the [Office] bureau shall be submitted electronically. The exemption provided for in 11 NYCRR 6.3 shall apply to all such documents as if those documents were specifically set forth in 11 NYCRR 6.2(a).

**The title of Section 450.3 is amended as follows:**

Section 450.3 Membership of the [board] Drug Accountability Board.

**The title of Section 450.4 is amended as follows:**

Section 450.4 Chair of the [board] Drug Accountability Board.

**The title of Section 450.5 is amended as follows:**

Section 450.5 Drug Accountability Board recusals.

**Section 450.5(b) is amended as follows:**

(b) The [office] bureau shall determine, before any materials are shared with the members of the board, if a conflict of interest, or appearance of a conflict of interest, arises with any member of the board and shall report the conflict to the chair for a determination.

**The title of Section 450.6 is amended as follows:**

Section 450.6 Meetings of the [board] Drug Accountability Board.

**Section 450.6(d) and (e) are amended as follows:**

(d) Attendance at meetings.

(1) Pursuant to [section 202 of the] Insurance Law section 202, the meetings of the board shall be private and not subject to disclosure.

(2) No recordings of the meetings of the board shall be made by any person; however, an official set of minutes for the meetings may be recorded by a representative of the [office] bureau.

(3) No person shall be permitted to attend, view, or listen to any meeting of the board unless the person is:

(i) a member of the board;

(ii) a member of the [office] bureau; or

(iii) an expert engaged by the [office] bureau to provide a briefing to the board.

(4) The board may request a presentation on any subject relevant to any inquiry before the board from any state agency or authority. Such request shall be reviewed by the [office] bureau and if the [director] deputy superintendent of pharmacy benefits approves the request, the [office] bureau shall arrange an expert briefing to the board.

(e) Adoption of the report of the board. A report of a board may be adopted outside of a meeting of the board provided that all non-recused members of the board are provided the report at least two business days prior to the close of voting on adoption.

(1) Not less than seven days before the board adopts a report, the [office] bureau may convey to the person that was required to submit a written statement under [subsection (a) of] Insurance Law section [111] 111(a) anticipated findings provided by the board. Such person shall keep the proposed findings confidential and, pursuant to Insurance Law sections 111 and 202, such anticipated findings shall not be subject to disclosure. Such person may convey a response to the anticipated findings, and such response must be received by the board within seven days after the proposed findings are conveyed.

(2) No report of the board shall be adopted except by a majority vote of the non-recused members of the board.

(3) Any adopted report shall be an advisory report.



KATHY HOCHUL  
Governor

ADRIENNE A. HARRIS  
Superintendent

## CERTIFICATION

I, Adrienne A. Harris, Superintendent of Financial Services, do hereby certify that the foregoing is the first amendment to Part 450 to Title 11 of the Official Compilation of Codes, Rules and Regulations of the State of New York (Insurance Regulation 221), entitled Pharmacy Benefits Bureau, signed by me on August 16, 2022, pursuant to the authority granted by Financial Services Law Sections 102, 201, 202, 203, 205, 301, 302, 305, and 306; Insurance Law Sections 110, 111, 202, 301, 306, 308, 316, 405, 2903, and 2906; Public Health Law Section 280-a; Part XX of Chapter 56 of the Laws of 2020, and Chapter 828 of the Laws of 2021, as amended by Chapter 128 of the Laws of 2022, to take effect upon the publication of the Notice of Adoption in the State Register.

Pursuant to the provisions of the State Administrative Procedure Act, prior notice of the proposed rule was published in the New York State Register on June 8, 2022. No other publication or prior notice is required by statute.

Signed copy filed with Department of State

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Adrienne A. Harris  
Superintendent of Financial Services

Date: August 16, 2022