

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 434

STATE OF NEW JERSEY

DATED: OCTOBER 22, 2026

The Assembly Appropriations Committee reports favorably Assembly Bill No. 434.

As reported, this bill prohibits contracts which are issued or purchased pursuant to the State Health Benefits Program, School Employees' Health Benefits Program, and Medicaid Program from denying coverage for a maintenance medication prescribed by a covered person's physician for the covered person's chronic condition because of a change in the covered person's pharmaceutical benefits that results solely from a change in the health benefits plan or the pharmacy benefits manager for that plan.

The prohibition applies only if the covered person was taking the medication prior to the date of the change in the covered person's health benefits plan or the pharmacy benefits manager for that plan, and if the covered person's new health benefits plan, or health benefits plan under the new pharmacy benefits manager, as applicable, provides coverage for that class of drugs.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that preventing persons covered under contracts issued or purchased by the State Health Benefits Commission or the School Employees' Health Benefits Commission from losing coverage for maintenance medications for chronic conditions because of a change in health benefits plan or pharmacy benefits manager will result in indeterminate annual expenditure increase to the State and participating local entities.

The OLS finds that the bill's provisions will not impact State Medicaid expenditures.