

August 23, 2019

**ASSEMBLY BILL NO. 3717  
(Fourth Reprint)**

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Assembly Bill No. 3717 (Fourth Reprint) with my recommendations for reconsideration.

Assembly Bill No. 3717 (Fourth Reprint) addresses a problem faced by some small and independent retail pharmacies in the State. The intent of the bill is to assist pharmacies when pharmacy benefits managers ("PBMs") make retroactive reductions in claims payments. This bill can help pharmacies address some payment uncertainties by limiting the ability of PBMs to retroactively reduce payments on clean claims submitted by pharmacies and providing pharmacies an itemized list of costs.

However, it is important to balance these issues with the need to lower prescription drug costs both for individuals and State financial resources, which the sponsors have done by excluding the State Health Benefits Plan from this legislation. Therefore, I am recommending amendments to the bill to exclude the State Medicaid Program to ensure that adequate funding is available for the efficient operation of the State Medicaid Program during the current fiscal year.

Therefore, I herewith return Assembly Bill No. 3717 (Fourth Reprint) and recommend that it be amended as follows:

Page 3, Section 2, Line 35:

After "government," insert "the State Medicaid program established pursuant to P.L.1968, c. 413 (C.30:4D-1 et seq.),"

Page 6, Section 6, Line 44:

After "Plan," insert "the State Medicaid program established pursuant to P.L.1968, c. 413 (C.30:4D-1 et seq.),"

Respectfully,

[seal]

/s/ Philip D. Murphy

Governor

Attest:

/s/ Matthew J. Platkin

Chief Counsel to the Governor