

Governor Phil Murphy

ICYMI: NJ Department of Banking and Insurance Adopts Final Regulations Capping Copays for Certain Prescription Drugs in Department-Regulated Health Insurance Markets

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Insurers Required to Cap Out-of-Pocket Costs of Insulin, EpiPens, and Asthma Inhalers

TRENTON – As part of the Murphy Administration’s efforts to continue to improve drug pricing transparency and make health care more affordable, the New Jersey Department of Banking and Insurance has adopted final rules outlining requirements for state-regulated insurers to cap certain out-of-pocket costs on critical prescription medications.

Governor Phil Murphy previously

[signed legislation \(https://www.nj.gov/governor/news/news/562023/approved/20230710a.shtml\)](https://www.nj.gov/governor/news/news/562023/approved/20230710a.shtml), making New Jersey the second state in the nation to cap out-of-pocket costs for asthma inhalers and epinephrine auto-injector devices in addition to capping consumer costs for insulin. The Department issued [guidance \(https://www.nj.gov/dobi/pressreleases/pr241126.html\)](https://www.nj.gov/dobi/pressreleases/pr241126.html) to insurers on the requirements last year, and the caps have been implemented.

“Improving health care affordability and accessibility have been hallmarks of my Administration. No one should be without access to medications that can improve their lives,” **said Governor Murphy**. “Capping the costs of these critical prescriptions such as inhalers and EpiPens can have lifesaving consequences for those who depend on them.”

The law extended Medicare’s \$35 a month insulin out-of-pocket cap to state-regulated markets and New Jersey public employee plans, including [Get Covered New Jersey \(https://www.nj.gov/getcoverednj/\)](https://www.nj.gov/getcoverednj/), the State’s Official Health Insurance Marketplace. The law also capped out-of-pocket costs for epinephrine auto-injector devices and asthma inhalers at \$25 and \$50, respectively, for a month’s supply.

“New Jersey has made great progress expanding access to quality, affordable health insurance through Get Covered New Jersey, and this law builds on our efforts by capping the out-of-pocket costs of vital medications through marketplace plans,” **said Commissioner Justin Zimmerman**. “With Open Enrollment underway at Get Covered New

Jersey, we encourage consumers who need health insurance with prescription coverage to visit [GetCovered.NJ.gov](https://www.getcovered.nj.gov) to explore plan options. Consumers should enroll by December 31 for January 1 coverage.”

Open Enrollment for 2026 coverage runs November 1, 2025, through January 31, 2026. Consumers who want their insurance to start January 1, 2026, must enroll by December 31; if they enroll by January 31, 2026, coverage will start February 1, 2026.

Under P.L. 2023, Chapter 105, effective January 1, 2025, carriers in the fully insured market, including the individual and small employer markets, are required to provide for the purchase of certain medications without any deductible, and no payment or coinsurance that exceeds the statutorily required cap.

The \$35 cap applies to any insulin product prescribed to a patient as part of a 30-day supply, regardless of the number of prescriptions or type of insulin needed. Coverage for equipment and supplies for the treatment of diabetes and diabetes self-management education is also required.

Insurers must also limit the out-of-pocket costs of asthma inhalers to \$50 per 30-day supply, regardless of the type of inhaler prescribed. Additionally, coverage for at least one epinephrine auto-injector device, with the out-of-pocket cost capped at \$25 per 30-day supply is required.

The regulations also require carriers, consistent with the P.L. 2023, Chapter 275, known as Grace’s law, to cover the purchase of hearing aids or cochlear implants, remove the age limit on hearing aids and the \$1,000 limit on coverage, and expand coverage of the number of hearing aids to one hearing aid for each hearing-impaired ear every 24 months. Consumers’ out-of-pocket costs are limited to those paid for primary care provider visits and hearing aids, including cochlear implants, which cannot be treated as durable medical equipment for purposes of determining the appropriate cost.

The Department of Banking and Insurance worked closely with the Governor’s Office of Health Care Affordability and Transparency in developing these consumer-focused policies. The final regulations were published in the New Jersey Register on December 1, 2025.

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