



August 13, 2019

Zach Knaub, Counsel to the Governor  
Executive Chamber  
State Capitol  
Albany, New York 12224

Dear Mr. Knaub:

On behalf of a broad group of organizations representing employers that are committed to ensuring access to quality and affordable health care, we are writing in opposition to S.2849-A/A.2969-A and to urge the Governor to veto the bill.

The legislation would prohibit health insurance plans from making mid-year pharmacy formulary changes. While the asserted intention of the bill is to allow for continuation of prescriptions through any mid-year formulary change, the practical outcome of the bill would create no new protections for consumers while leaving fewer options for employers to control pharmaceutical costs but guaranteeing rate increases.

Further, S.2849-A/A.2969-A would exempt collective bargaining agreements, giving labor unions special treatment from having to abide by the requirements of this bill in how they manage their drug costs. Setting two different standards is unfair to employers, particularly small businesses, and begs the question “If it’s not good policy for the unions, why subject private employers and individuals who purchase insurance from the marketplace to it?” Bad policy is bad policy. New Yorkers already have multiple layers of protection ensuring that they receive the most effective and up-to-date treatments and medications. They do not need the added cost of this policy. If the goal is to protect consumers from formulary changes during the year, better alternatives are available.

Employers consistently cite health care as one of their top cost-of-doing business concern. New York already has the highest average premiums in the lower 48 states, and controlling rising health care costs is a critical issue facing employers. Increases in the cost of health care stymies the ability of employers to create jobs, invest in their companies and improve the state’s economy. Adopting policies that increase costs for employers act as a tax on the cost of health insurance and only makes the cost of doing business even more expensive in New York.

For all of these reasons, we would urge the Governor to veto S.2849-A/A.2969-A.

Sincerely,

Buffalo-Niagara Partnership  
Long Island Association  
Rockland Business Association

Capitol Region Chamber  
National Federation of Independent Businesses-NY  
The Employer Alliance for Affordable Health Care