



Memo in Opposition – A.4668/S.4111

May 5, 2021

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 to express our concern and opposition to A.4668/S.4111.

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 and increasing their health insurance premiums.

Further, A.4668/S.4111 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.

New York’s health care costs already are among the nation’s highest. Employers across the state have been hard hit by the pandemic and are struggling with the economic disruption it has caused. Adopting policies that increase health care costs for employers, particularly small businesses, will make coverage more expensive for them and exacerbate the challenges they’re facing to keep their doors open and support their employees.

For all of these reasons, we oppose **A.4668/S.4111**.