



The Employer Alliance for Affordable Health Care

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## **Press Release**

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### **Step therapy measure should be rejected**

## **Measure bypasses best practices, increases health care costs**

**ALBANY** - The Legislature's proposal to regulate step therapy policies in health insurance policies (S.3419 (Young)/ A.2834 (Titone) is lacking in both common sense and in good judgement. At a time when the business community needs leadership, the Legislature is instead looking to not only bypass best practice in health care, but at the same time, increase consumer costs.

The Employer Alliance for Affordable Health Care staunchly opposes this measure.

Based on the proposals introduced this session, small businesses could easily believe that New York's Legislature has no desire to make health insurance more affordable. This is another egregious example – a bill that allows consumers to circumvent “well-developed scientific standards” for prescription alternatives in favor more expensive drugs.

Consumers want access to proven effective drugs while keeping their costs for those drugs as low as possible. The use of generic drugs can greatly help meet this goal. This bill, however, will open the door for prescribing manipulation and ultimately, overutilization of more expensive alternatives which will burden many consumers, and especially our members, with unnecessary added costs. Moreover, it will be a double cost hit because in addition to higher premiums due to the underlying cost of these expensive drugs, consumers' out-of-pockets costs will also go up because co-payments and co-insurance for brand name drugs are significantly higher than those for generics.

For many small businesses, the Government's landmark health insurance reform has not reduced health care costs. In 2015, a majority of our members saw premiums increase well in excess of the 9% average touted by the state, including some as high as 18%. With small employers comprising 98% of all businesses in New York and employing more than half of New York's private sector workforce, lawmakers have a responsibility to put good judgement over emotion and work to keep health care costs affordable.

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