

Updated: May 2018

MEMORANDUM IN OPPOSITION

S.5022-C (Serino)/A.2317-C (Peoples-Stokes): Prohibits a health care plan from making prescription drug formulary changes during a contract year

We OPPOSE this measure for the following reasons:

- Lawmakers should control health care spending, not regulate the industry. Health insurance premiums are rising faster than household incomes and creating a tremendous burden for small businesses. According to the State Department of Financial Services, premiums increased an average of nine to 14 percent in 2018, at a time when consumers are also facing increased co-pays and deductibles. According to the National Federation of Independent Businesses ranks health insurance costs as the top priority among its members* – a distinction that's been held for the past 20 years. <https://www.nfib.com/assets/NFIB-Problems-and-Priorities-2016.pdf>
- Consumers benefit most when the system is allowed to work without government interference. Despite the stated intention of this mandate to protect consumers from unexpected increases in drug prices, prohibiting mid-year changes could have the opposite outcome and deprive consumers from lower cost, generic alternatives.

For these reasons, we ask you to OPPOSE S.5022/A.2317

The Employer Alliance for Affordable Health Care is the largest single-issue, grassroots coalition in New York state, with more than 3,000 small-business owners and sole proprietors representing more than 150,000 individuals. Our members believe that everyone should have access to basic, affordable health insurance.

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