



The Employer Alliance for Affordable Health Care

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MEMORANDUM IN OPPOSITION

Bill Number: S.3995-B (Maziarz) / A.5723-B (Heastie)

An act to amend the insurance law, in relation to the purchase of prescription drugs.

The Employer Alliance for Affordable Health Care is the largest, single-issue grassroots coalition in New York State. Our members include more than 3,000 small and medium-sized businesses representing more than 150,000 working New Yorkers.

WE OPPOSE THIS LEGISLATION FOR THE FOLLOWING REASONS:

- **S.3995-B/A.5723-B** would limit pharmacy mail order options for health insurance purchasers. Here in New York, pharmacy benefits are optional and the cost of a pharmaceutical rider is the major factor for employers in determining whether to provide this coverage to their employees.
- Encouraging the use of mail order pharmacies has helped lower drug co-payments, making prescription coverage more affordable for many New Yorkers. This bill will unquestionably result in increased pharmaceutical costs for New York's consumers and employers and a decrease in those employers offering a pharmaceutical benefit to their employee - ultimately making it harder for small businesses to compete.
- The use of volume discounts through mail order has been a proven method for health insurance plans to control pharmaceutical costs for their enrollees. Mail order pharmacy services are often less expensive than retail pharmacy and help to provide small businesses and families with affordable prescription drug access.
- With the growth of prescription pharmaceutical use and in light of the impending massive increases in the number insured New Yorkers under the federal health reform law, there is enough pharmaceutical business to ensure both a flourishing independent retail pharmacy business and a mail order business without resorting to protectionist legislation meant to pick winners and losers. Mail order pharmacies have not put independent pharmacies at risk. Rather, the two have shared in the overall growth of pharmacy expenditures.
- This legislation would reduce competition and raise prices for consumers and employers alike, without delivering any added benefit to the public.

For these reasons, we ask you to OPPOSE S.7662-A / A.9943A

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