



April 6, 2021

The Honorable Andrew Cuomo, Governor
The Honorable Andrea Stewart-Cousins, Senate Majority Leader
The Honorable Carl Heastie, Assembly Speaker

Dear Governor Cuomo, Senate Majority Leader Stewart-Cousins, Assembly Speaker Heastie, and Members of the New York State Legislature:

RE: AMERICAN PHARMACISTS ASSOCIATION COMMENTS ON NEW YORK MEDICAID'S PRESCRIPTION DRUG BENEFITS

As the Chief Executive Officer (CEO) of the American Pharmacists Association (APhA), I am writing to urge you to implement and support policies in New York that provide transparency, accountability, and cost-effectiveness for prescription drugs, [removing harmful pharmacy benefit managers' \(PBMs\) from the process](#).

APhA is the only association of pharmacists in the United States advancing the entire pharmacy profession. APhA represents pharmacists in all practice settings, including community pharmacies, federally qualified health centers (FQHCs), hospitals, long-term care facilities, physician offices, clinics, hospice settings, and government facilities. Roughly 1,900 APhA members live in New York. Our members have raised PBM practices as a top concern and priority for APhA to help them with throughout the country.

I want to applaud New York's leadership to cleanse your state's Medicaid program of PBMs' opaque and underhanded drug pricing practices. New York's efforts helped reform a system where an [independent study found PBMs' had overcharged the state by as much as 39% on generic drugs \(which accounted for an estimated 89% of the state's Medicaid managed care prescription drug claims\) and reduced reimbursements to pharmacies to pocket more than \\$300 million, between April 1, 2017 and March 31, 2018](#), rather than passing these savings back to the taxpayers of New York State and its Medicaid recipients.

Harmful PBM practices negatively impact patients and community pharmacies and contribute to ever-increasing prescription drug costs for patients and taxpayers. Forcing pharmacies to dispense medications below acquisition costs and other harmful PBM practices have led to pharmacy closures, [roughly 6 percent between 2010 and 2018](#)—often disproportionately affecting low-income and minority neighborhoods, which can have drastic negative effects on patients' access to care. In [New York City alone](#), the number of pharmacies has declined 20%



since 2016, creating “pharmacy deserts,” where people can’t fill medical prescriptions locally or receive pharmacist-provided patient care services with terrible health outcomes. In fact, since the pandemic began in March 2020, [New York leads the nation with 37 clinic and pharmacy closures](#), which is 14% of all store closures in America.

APhA urges you to continue your leadership against big, corporate PBMs’ efforts to wrangle back millions in profits in the last hours from New York’s taxpayers, Medicaid patients and trusted community pharmacies. If you have any questions or require additional information, please contact Michael Baxter, Senior Director of Regulatory Policy, at mbaxter@aphanet.org.

Sincerely,

A handwritten signature in black ink that reads 'Scott Knoer'.

Scott J. Knoer, MS, PharmD, FASHP
Executive Vice President and CEO

cc: The Honorable Gustavo Rivera, Chair of Senate Health Committee
The Honorable Richard Gottfried, Chair of Assembly Health Committee
Shontell Smith, Chief of Staff & Counsel Senate Majority
LouAnne Ciccone, Secretary to the Speaker & Senior Policy Advisor
Robert Mujica, Director of the Budget