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Memorandum of Support S.8948 (Rivera)/A.10960(Gottfried)

September 30, 2020

The New York State Association for Rural Health represents our members who include hospitals, health clinics, behavioral health providers, public health, organizations supporting the social determinants of health, individuals and students.

The Federal Public Health Service Act of 1992 created the 340B pharmacy discount program to allow safety net healthcare providers to access pharmaceutical drugs at reduced costs **and to reinvest these savings to expand access to care**. These funds are often used by hospitals and health centers to partner with community-based nonprofits to engage difficult to reach populations.

Language buried in the NYS Budget that was adopted in April authorized the State to carve the pharmacy benefit out of Medicaid managed care and into fee-for-service. Given that the whole multi-billion-dollar DSRIP effort was designed to move services OUT of fee-for-service, this is an unexpected strategy that will have dire consequences for the rural providers and communities that NYSARH represents.

We encourage the legislature to reconsider this strategy. The ‘unintended consequences’ of implementation will include loss of some access to care, elimination of programs for special populations, reduced support for residents with chronic conditions and elimination of some direct subsidies that allow low income rural residents take care of their health conditions more effectively.

For these reasons, NYSARH supports S.8948/A.10960.

For more information, contact Sara Wall Bollinger, Director for Strategic Development at sara@NYSARH.org.