July 21, 2020

The Honorable Andrea Stewart-Cousins
Senate Majority Leader
Room 907, LOB
Albany, NY 12247

The Honorable Carl Heastie
Assembly Speaker
Room 932, LOB
Albany, NY 12248

Dear Leader Stewart-Cousins and Speaker Heastie:

On behalf of a broad group of organizations representing employers and health plans that are committed to ensuring access to quality and affordable health care for all New Yorkers, we are writing with regard to several bills under consideration that will translate into higher health care costs for New York businesses and the individuals they employ. Our specific concerns are outlined below and we urge that these bills be rejected.

Restrictions on Cost Sharing

We oppose legislation to cap cost sharing for insulin. Specifically, **S.8255/A.10821** limits the out-of-pocket cost for a 30-day supply to no more than $30. Various types of cost-containment and cost-sharing mechanisms help to control health care costs and keep monthly premiums at a minimum. Restricting or limiting cost-sharing levels increases monthly premiums and places an additional financial strain on small businesses and working families. The 2020-21 enacted state budget included language that limits out-of-pocket expense for insulin to $100; however, this provision has not yet gone into effect. Nevertheless, the savings that the enacted cost-sharing cap and this legislation promise to deliver are illusory, as immediate out-of-pocket costs for patients are reduced, but the cost of insurance premiums will be further increased by lowering the cost-sharing cap, without any mechanism to lower the actual underlying cost of insulin that the insurer must make up for through increased premiums. If the goal is make health care more affordable, legislation to restrict cost-sharing amounts misses the mark by adding to the monthly premiums for employers and consumers.

Mandated Reimbursement Rates for Telemedicine

We oppose legislation (**A.10723/S.8785 & A.10715/S.8688**) to mandate reimbursement of telemedicine services at the level as a face-to-face visit. Health plans and employers recognize the potential of telemedicine to help lower health care costs and make care more efficient and accessible, and the market is already moving in this direction. However, requiring the same reimbursement as an in-office visit would eliminate any potential savings for individuals and employers when telehealth will reduce provider practice costs, improve their productivity and assist in triaging for follow-up care.

The use of technology in other industries has ultimately benefitted consumers through greater productivity, increased efficiency and lower costs, and health plans and employers already are implementing telemedicine services. Telemedicine is expected to make it easier for providers to collaborate with each other, improve

access to services, and make the system more efficient. These benefits should be passed on to employers and consumers in the form of lower health care costs. Mandating the same level of reimbursement will keep them from realizing the full promise of telemedicine and reimbursement rates should be negotiated, not dictated in statute.

Mandated Benefits

We oppose legislation (**S.34A/A.4962A & A.7281A/S.6779A**) mandating coverage for pre-exposure prophylaxis and post-exposure prophylaxis and prohibiting prior authorization of these medications. New York has over 40 mandated benefits in statute, requiring coverage of more than three dozen types of treatments or services. While the cost of some of these benefits in isolation may be relatively small, the collective impact of mandated benefits adds to the cost of insurance. New York already has the highest average premiums in the lower 48 states and one of the most extensive lists of health insurance mandates. Mandating coverage of specific services limits the ability of employers to manage their health care costs and requires inclusion of benefits their workforce may not want or need.

Further, mandated benefit bills pertain only to fully-insured policies, which are purchased either by individuals who purchase coverage on their own or receive it through a small or medium-sized business. Large companies typically "self-insure," providing employee health benefits by directly paying health care claims to providers. More than 50 percent of the commercial market is enrolled in a self-insured plan, which are governed by the federal Employee Retirement Income Security Act (ERISA) and are not subject to state mandated benefits. Included in ERISA is a provision preventing states from deeming employee health benefit plans to be in the business of insurance for the purpose of state oversight, which preempts states from regulating these plans. As a result, S.34A/A.4962A & A.7281A/S.6779A would apply to less than half of the commercial market, but make health care more expensive for many small and mid-sized employers.

With New York employers struggling to keep their doors open and maintain coverage for their employees and individuals struggling to afford health insurance coverage as result of the current public health crisis, now is not the time to be adopting policies that will increase their health care costs. For all these reasons, we urge you to reject these bills.

Sincerely,

The Business Council of New York State
Capital Region Chamber
Greater Binghamton Chamber
Unshackle Upstate
New York Health Plan Association
The Business Council of Westchester
National Federation of Independent Businesses-NY
Employer Alliance for Affordable Health Care
New York State Association of Health Underwriters
New York State Conference of Blue Cross and Blue Shield Plans