



NEWS RELEASE

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***New York Health Plan Association on Bills to Increase Spending on Primary Care & Prescription Drugs
Proposals Will Push Health Costs Higher for New Yorkers – The Focus Should Be on Affordability***
Statement by Eric Linzer, HPA President and CEO

“Today, the Senate is considering two bills that will increase medical and prescription drug spending, increasing the cost of coverage for consumers and employers.

“The first, **S.1634-A (Rivera)/A.1915-B (Paulin)**, would mandate that at least 12.5% of total annual expenditures from health insurers go to pay for primary care services. While health plans support investing in primary care to strengthen care coordination and improve quality for patients, the bill includes no linkage to provider performance or any accountability requiring health systems to ensure the funding flows to primary care. Further, it fails to address the major factors driving health care costs – the prices that hospitals and pharmaceutical companies charge. Without containing these costs or including measures to hold provider systems to comparable spending targets, the bill merely will increase health care spending and lead to higher premiums without resulting in better care.

“The second, **S.5939-C (Skoufis)/A.5882-C(McDonald)**, would require that health plans reimburse pharmacies equal to at least the national average drug acquisition cost (NADAC) along with a minimum dispensing fee equal to Medicaid, while exempting collectively bargained health benefit agreements between employers and labor organizations. The legislation will result in increased premiums and higher costs at the pharmacy counter and does nothing to address the escalating and exorbitant prices drug manufacturers charge. Further, excluding collectively bargained agreements recognizes that the bill will raise costs and setting two different standards is unfair to employers, particularly small businesses.

“Affordability remains the top issue in health care for consumers and employers, and New York’s health care costs are among the nation’s highest. Rather than adding to premium costs, the Senate should reject these measures and avoid making health coverage more expensive.”

-30-