

President

Phil Andrews

Secretary

**Valerie Anderson-
Campbell**

Treasurer

Elizabeth Wellington

Long Island African American Chamber of Commerce, Inc.

1225 Franklin Ave. Suite 325 Garden City, NY 11530

February 24th, 2023

Dear Members of the Committee,

We are writing today to express concern over a provision in the FY 2024 Executive Budget that has the potential to hobble the function of an essential segment of the small business community—independent, locally owned pharmacies. Indeed, the required registration of Pharmacy Services Administrative Organizations (PSAOs) included in the Executive Budget threatens the success of our family-owned community pharmacies and the neighborhoods they serve. We agree that the New York healthcare system needs continued and expanded transparency, and we appreciate that the Governor's office and legislature are committed to such efforts. However, the Health and Mental Hygiene Article VII- Subpart B, Article 30 misrepresents the role of PSAOs in the healthcare supply chain and how they support small, independent pharmacy owners across the state. Unfortunately, this could lead to unintended burdens on New York's pharmacies, a crucial sector of the small business community—and ultimately the patients they serve.

Pharmacies have become even more crucial to healthcare over the last 3 years. More and more, people are depending on pharmacies for access to health services, including general health advice, screenings, vaccines, and more. As a result, pharmacists are seeing an increase in patients and workload. And at the same time, the rules and regulations throughout the healthcare industry continue to become more complex. That is why PSAOs provide such important support for local, independently owned pharmacies.

PSAOs are administrative experts that help independent pharmacists navigate the health care landscape. Unlike their larger competitors, small and independent pharmacies do not have in-house legal and compliance departments. Instead, many voluntarily hire PSAOs to manage relationships and contracts with insurers and pharmacy benefit managers (PBMs), handle burdensome paperwork, and execute other administrative operations. PSAOs save pharmacists time and create efficiencies, allowing them to focus on patient care and remain competitive. Contrary to the assumptions that have been made, PSAOs do not play a role in medication costs or determining patient coverage, and they should not be regulated as if they do. Allowing the budget to pass with a misrepresentation of PSAOs could put independent pharmacists at a disadvantage, creating more regulatory hurdles, red tape, and confusion. If the goal is to provide all New York residents with access to the care that they need to live productive lives, then our elected leaders must continue understanding the ever-changing health care system, including the role of PSAOs and the fundamental needs of our pharmacy community.

Thank you for your time and consideration,

Phil Andrews,

President