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September 11, 2020

Hon. Andrew M. Cuomo, Governor
State of New York
Executive Chamber
New York State Capitol
Albany, New York 12224

Dear Governor Cuomo,

I am writing to express great concern over the state's shift of its long-term care (LTC) pharmacy contract from Syracuse-based HealthDirect, to troubled, Ohio-based provider, Omnicare. This change means enriching an out-of-state company with taxpayer dollars while crippling community-based, independent pharmacies who were subcontracted partners with HealthDirect. These are outcomes the state should be avoiding, not pursuing.

A perfect example of the consequences of this change is the case of Patient's Pharmacy in Jamestown, which is in my district.

The last remaining independent pharmacy in the city (five have closed in the last one and a half years), Patient's was a subcontractor of HealthDirect, the company which has had the state contract for these services for many years. Patient's served Developmental Disability Service Office (DDSO) facilities and patients in Chautauqua and Cattaraugus counties and was looking to expand to other DDSO locations, which would have meant the creation of more local jobs.

Patient's Pharmacy, owned by Diane Mathews, is a certified MWBE, which is a program your administration has prioritized. Yet, she and countless other MWBE subcontractors who worked with HealthDirect will be losing a major portion of their business to an out-of-state, non-MWBE corporation. For some, like Ms. Mathews, it may even mean the closure of their businesses.

While the justification for such a change is doubtless the "bottom line," in too many instances to count, the state's focus on the bottom line fails to take into account hidden charges and other associated financial hits. One stark example that comes to mind is the state's centralization of the Non-Emergency Medical Transportation (NEMT) which was supposed to save the state money. Instead, transportation brokers ended up substituting public transit for single rider taxi services and costs skyrocketed by more than 1000 percent in some regions.

This provider change is going down that same path. Omnicare has a record of applying hidden fees and charges for services. In contrast, Patient's Pharmacy, and independent pharmacies like it, routinely provide night and weekend expedited and emergency deliveries at no charge. Omnicare also cannot provide many of the supplies that patients need, such as walkers, wheelchairs, etc. This will necessitate "solutions" that will likely drive up costs.

Finally, Omnicare has been the subject of several lawsuits, including a recent one initiated by the U.S. Department of Justice. The DOJ has accused the pharmacy of putting the safety of patients at risk by filling prescriptions that had long expired or run out of refills. This is just the latest in a long history of legal trouble for the company. It settled federal lawsuits in 2016 and 2018 to resolve allegations of kickbacks. The commitment of state funds to such a corporation is an affront to the state's fiduciary duty to taxpayers.

To that end, I respectfully request that this impending contract change be immediately halted and all of the above issues examined and considered. The switch from HealthDirect to Omnicare is a bad deal for our independent pharmacies, our local economies, our DDSO clients and New Yorkers. I urge you to act as soon as possible.

Thank you for your consideration of my comments and this urgent request.

Sincerely,



George M. Borrello
Senator, 57th District

CC: Dr. Theodore Kastner, Commissioner
New York State Office for People With Developmental Disabilities

Thomas P. DiNapoli
New York State Comptroller.

GMB/lh