MEDICAL SOCIETY
of the
STATE OF NEW YORK

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MEMORANDUM IN OPPOSITION

IN SENATE FINANCE COMMITTEE **S.7507 (BUDGET)**

IN ASSEMBLY WAYS & MEANS COMMITTEE **A.9507 (BUDGET)**

Opposition To Budget Provisions Enabling The Establishment Of Corporate-Owned Retail Health Care Practices

This proposal in the Executive Budget would authorize the delivery of health care services to the public in a retail setting such as a pharmacy, grocery store, or shopping mall. Sponsors could include a for-profit business corporation such as big-box store or drug store chain. The language would enable these retail clinics to deliver many health care services including treatment of minor episodic illnesses, episodic preventive and wellness services such as immunizations, administration of opioid antagonists, lab tests, and limited screening and referral for behavioral health conditions. **The Medical Society of the State of New York opposes this provision and urges that it be deleted from the Budget.**

This proposal, which has also been advanced and rejected in previous Budget proposals, has some improvements by requiring a "collaborative relationship" with at least one health care provider, though the exact nature of that collaboration is not clear. However, it would still fundamentally depart from New York's long history of rejecting the corporate practice of medical care delivery, and the inherent conflicts of interest that come with it.

This Budget proposal has to be understood in the context of the recent announcement of drug store giant CVS, owner of PBM giant Caremark, to acquire health insurer giant Aetna. If approved, CVS' overwhelming presence in the retail pharmacy industry and prescription drug coverage administration would be coupled with dominance in the health insurance market. As a result, enactment of this proposal would undoubtedly result in an explosion of retail "Minute Clinics" in pharmacies across New York State, which in turn could cause other "cross-sector" acquisitions or mergers to compete. These developments will jeopardize the viability of the far-less capitalized community primary care "medical homes" who serve patients throughout the State, jeopardizing the continuity of care that these patients receive through these practices. It also could lead to the closure of even more locally-owned community pharmacies preferred by many patients. Moreover, it is easy to foresee that numerous community primary care practices could be dropped from the network of the merged entity in favor of these retail clinics.

It is hard to overstate the pivotal role that community primary care and pediatric practices play in managing patient health, through managing chronic conditions such as asthma, diabetes and hypertension, to slow the progression of these diseases and to prevent avoidable hospitalizations. They also help to coordinate the patient's care through referrals to needed specialty care physicians, administering immunizations, and reminders to take medications and for follow up care. They are the patient's medical home.

Yet the retail clinic proposal would jeopardize these medical homes for many patients. Far from complementing the delivery of care, as they claim, physicians are very concerned that this proposal will produce an explosion of these big-box store owned clinics that will drive patients away from traditional primary care practices. Coincidentally, of course, many of these locations will be where patients can have their prescription medications filled.

While such care sites have existed in retail stores in New York, there was always an important distinction that assured that the physician, nurse practitioner, or physician assistant providing care at this retail site not be directly employed by the corporation. The practitioner pays rent for the space, thereby maintaining it as an "arms length" transaction. This arrangement helps to protect the independent decision-making of the health care professional against corporate interference. Of further concern, because the Budget provision states that "retail health services shall not be provided except in accordance with this article," it would appear that this language would prohibit these existing rental space arrangements in favor of corporate owned care delivery.

If approved, the proposed CVS acquisition of Aetna could set off profound changes in health care system for which far more analysis is needed as to the long-tern implications. We urge you to stand up against this accumulation of power in our health care system that jeopardizes the ability of patients to continue to receive necessary care from their community physicians. **We urge you to reject this proposal as you finalize the Budget for Fiscal Year 2018-19.**

Respectfully Submitted,

2/1/17
MMA- Oppose

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