

LEGISLATION TO END MEDICAL MONOPOLIES FROM ASSEMBLYMEMBER JONATHAN JACOBSON

When insurers and medical providers consolidate, they can operate like monopolies. This leads to fewer options and higher costs for patients. The Hudson Valley, which I represent, is already experiencing the impact of these consolidations with Optum, which is owned by the largest insurer in the United States. These medical monopolies are forming throughout the healthcare industry, including pharmacies.

THE IMPACTS OF CONSOLIDATION

- Shifts market power to a few providers/insurers
- Squeezes out smaller, unaffiliated providers
- Reduces competition and access to care
- Fewer options and virtual monopolies increase patient costs
- Creates conflicts of interest between providers and the patients they serve

LEGISLATIVE REFORM TO FIGHT CONSOLIDATION

I've introduced three bills to go after healthcare providers and insurers that rig the market in their favor, squeezing out smaller, local providers and driving up prices.

A.9225 Prohibits health insurance companies from owning a healthcare provider, or vice versa.

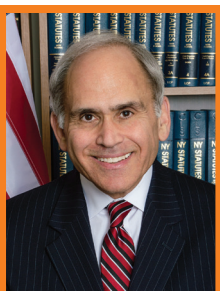
When an insurer buys up healthcare providers in a region, unaffiliated providers are left trying to compete in a marketplace stacked against them. Meanwhile, insurers steer patients to their affiliates, even if they're not always the best option.

A.9184 Forbids insurance companies from owning or controlling a pharmacy benefits manager (PBM), a pharmacy, or any combination of the three.

PBMs are supposed to negotiate drug prices on behalf of consumers, so they shouldn't also represent the interests of a pharmacy receiving those payments.

A.9099 Requires an insurance company to pay a provider it does not own no less than it pays to a provider it owns for comparable services.

The bill also prohibits an insurance company owned by a healthcare provider from paying that provider more than it would pay to other, non-owner providers for comparable services. Insurers set rates to favor their providers, often leading to lower payments for non-affiliated providers. This bill puts a stop to this anti-competitive practice.



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