



Kevin M. Kerwin, Esq.
President and CEO

April 13, 2026

The Honorable Kathy Hochul
Governor
New York State Capitol
Albany, NY 12224

*Representing health care
providers in Upstate and Rural
New York*

The Honorable Andrea Stewart-Cousins
President Pro Tempore and Senate Majority Leader
New York State Senate
New York State Capitol
Albany, NY 12247

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The Honorable Carl E. Heastie
Speaker
New York State Assembly
New York State Capitol
Albany, NY 12248

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Dear Governor Hochul, Majority Leader Stewart-Cousins, and Speaker Heastie:

On behalf of the undersigned healthcare chief executives and the Iroquois Healthcare Alliance, we write in strong support of S.1913 / A.6222, the 340B Prescription Drug Anti-Discrimination Act. We urge inclusion of this legislation in the FY 2027 Enacted Budget and, if it is not advanced through that process, passage during session before the close of the year.

The federal 340B Drug Pricing Program was created by Congress in 1992 to strengthen safety-net healthcare. By requiring pharmaceutical manufacturers to provide discounted drugs to qualifying providers, 340B enables hospitals and other covered entities to stretch scarce resources, offset uncompensated care costs, and reinvest in services that would otherwise be difficult to sustain. For safety-net providers like hospitals and their community healthcare partners, these savings fund behavioral health programs, oncology and infusion services, mobile mammography, and in several cases, the continued operation of labor and delivery units in communities where obstetric care is already limited.

In recent years, pharmaceutical manufacturers and pharmacy benefit managers (PBMs) have taken increasingly aggressive steps to erode those savings while at the same time growing their profits. These include denying 340B pricing at contract pharmacies, imposing reimbursement cuts without justification, and placing conditions on drug access that apply only to 340B participants. These practices directly undermine what the program was designed to accomplish.

S.1913 / A.6222 would address this by prohibiting manufacturers and PBMs from denying, conditioning, or otherwise limiting drug dispensing by a covered entity solely because of its 340B participation, and from imposing requirements, reimbursement terms, fees, or other conditions on 340B entities that differ from those applied to non-340B entities. **This legislation does not expand the 340B program or alter how it operates.** It simply ensures the program functions as Congress intended when it was enacted in 1992.

S.1913 has cleared Senate Finance Committee, is currently on third reading on the Senate calendar, and was included in the Senate's one-house budget. We urge that A.6222 be placed on the Assembly Health Committee agenda so both chambers can act this year. Inclusion in the FY 2027 budget is the priority.

Opposition to this legislation **fundamentally mischaracterizes how the program works.** The 340B discount applies to what a hospital pays a manufacturer for a drug. What a patient or their insurer pays at the point of care is determined by their insurance contract, not by the hospital's acquisition cost. The savings generated through 340B are reinvested into patient care services.

The concerns raised in opposition do not reflect the reality or the legislative intent of how 340B actually functions for safety-net providers. This legislation does not raise costs for patients or employers. It simply prevents manufacturers and PBMs from unilaterally diminishing a program that provides access to vital care in Upstate and rural New York.

The urgency of this legislation has grown as federal funding cuts enacted through H.R. 1 will place significant pressures on budgets across the state. This legislation will not offset those losses. It is a concrete step the state can take now to prevent further erosion of resources these providers depend on to serve their communities.

We emphasize that this legislation **does not require a state appropriation.** The 340B program represents the congressionally structured obligation of the pharmaceutical industry to invest in the communities where safety-net providers operate. At a time when state and federal budgets are under significant strain, protecting a funding source that costs the state nothing and keeps pharmaceutical manufacturers financially committed to our underserved communities is the kind of policy that the state should be acting on.

We respectfully ask that you prioritize enactment of S.1913 / A.6222. The healthcare leaders signing this letter lead institutions that are often the largest employers in their communities and the primary drivers of local economic activity. These are also the providers their neighbors depend on for access to care. Their financial health is inseparable from the health of the communities they serve. They join us in urging action this year.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kevin Kerwin', written in a cursive style.

Kevin Kerwin
President & CEO, Iroquois Healthcare Alliance

Aaron Kramer
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Adirondack Health

Daniel T. Pickett
President / CEO
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United Health Services Hospitals

Robert Corona, DO
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President
UVM Health Network
Alice Hyde Medical Center / CVPH

CC: Senate Health Committee Members and Assembly Health Committee Members