

**AMERICAN COLLEGE OF OBSTETRICIANS & GYNECOLOGISTS – DISTRICT 2  
MEDICAL SOCIETY OF THE STATE OF NEW YORK  
NEW YORK CHAPTER, AMERICAN COLLEGE OF PHYSICIANS  
NEW YORK CHAPTER, AMERICAN COLLEGE OF SURGEONS  
NEW YORK STATE ACADEMY OF FAMILY PHYSICIANS  
NEW YORK STATE ACADEMY OF PEDIATRICS – CHAPTERS 1, 2 AND 3  
NEW YORK STATE OPHTHALMOLOGICAL SOCIETY  
NEW YORK STATE PSYCHIATRIC ASSOCIATION  
NEW YORK STATE SOCIETY OF ANESTHESIOLOGISTS  
NEW YORK STATE SOCIETY OF ORTHOPEDIC SURGEONS  
NEW YORK STATE SOCIETY OF OTOLARYNGOLOGY- HEAD & NECK SURGERY  
NEW YORK STATE SOCIETY OF PLASTIC SURGEONS**

Our respective organizations, which together represent tens of thousands of physicians across the State of New York delivering care to millions of patients each year, urge you to reject a proposal in the Executive Budget that would authorize the delivery of health care services to the public in a retail setting such as a pharmacy, grocery store, or shopping mall. Permitting a for-profit business corporation, such as a big-box store or drug store chain to sponsor the clinic, would deviate from New York's long history of rejecting the corporate practice of medical care delivery.

This Budget proposal has to be understood in the context of the recent announcement of drug store giant CVS, owner of PBM giant Caremark, acquiring 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 likely produce an explosion of retail "Minute Clinics" in pharmacies across New York State, which in turn would prompt other chain drug stores or big-box stores to undertake similar actions to compete.

The "arms race" this provision will set off will threaten the viability of the far-less capitalized community primary care "medical homes" who serve patients throughout the State, jeopardizing the continuity of care, longitudinal commitment and care coordination that these patients receive through these practices. It also could lead to the closure of even more locally-owned community pharmacies often preferred by patients. Moreover, it is easy to foresee that numerous community primary care practices would be dropped from the network of the merged entity in favor of these retail clinics, or placed at a higher cost-sharing status.

According to a study published in *Annals of Emergency Medicine*, patients use retail clinics because of the convenience of walk-in care. However, these visits were classified as "new use," meaning that they did not actually substitute for a primary care appointment in a different setting. Given the self-resolving nature of most low-acuity illnesses, many of these retail clinic appointments are ultimately unnecessary. Furthermore, retail clinics are often located in more affluent neighborhoods, meaning that they do not actually benefit the lower-income patients who utilize emergency room services. With regard to cost reduction, researchers concluded that retail clinics have not been shown to meaningfully reduce low-acuity emergency room visits.

It is hard to overstate the pivotal role that community primary care providers play in managing patient health, slowing the progression of disease, and preventing avoidable hospitalizations through the management of chronic conditions such as asthma, diabetes and hypertension. They also help to coordinate patient care through specialty care physician referrals, immunizations, medication reminders, and follow up care. They also are a bridge to family members providing accurate information and advice as needed.

To repeat, these patients' medical homes and primary care as a profession will be placed in great jeopardy if this provision is enacted.

While some retail stores in New York have promoted health care delivery at their site, there has always been an important distinction that the practitioner providing care at this retail site would not be directly employed by the corporation. The practitioner in current retail situations pays rent for the space, thereby maintaining it as an "arm's length" transaction, and protecting the independent decision-making of the health care professional against corporate interference. However, this legislative proposal would permit corporate interference in care delivery for the first time.

If approved, the proposed CVS acquisition of Aetna could set off profound changes in the health care system, and call for more analysis to discover the potential long-term implications at a time when primary care is under extreme challenge to meet changes required by alternative payment models and value based care..

We urge you to oppose this budget language which will jeopardize the ability of patients to continue to receive necessary and ongoing care from their community physicians and maintain the current legal protections that rest medical decision-making with licensed healthcare providers and not corporations

**We urge you to reject the proposal to authorize retail clinics as you finalize the Budget for Fiscal Year 2018-19.**

**2/16/18**