



Dear Members of the Joint Budget Committee:

Catalpa Chemists has served the five boroughs of New York since 2016, bringing quality and affordable healthcare services to our neighbors from near and far. Our customers have come to expect personal attention from our caring and dedicated staff, and we pride ourselves on being part of the fabric of our community and public health.

To achieve this, however, we rely on Pharmacy Services Administrative Organizations (PSAOs). These critical administrative partners help independent pharmacies like mine serve our patients and focus on their health. Running a small pharmacy is a lot of work. We have to coordinate with large pharmacy benefit managers (PBMs) and insurance companies, comply with government regulations, and keep the back of house administrative affairs in order. And all of this could take away from our ability to serve customers with specific health needs. That is why many, including Catalpa Chemists, choose to hire PSAOs. They take huge administrative burdens off of our plates.

As you can imagine, we are concerned that provisions within the current 2024 FY Budget would impose onerous registration requirements on PSAOs, treating them as if they were PBMs. However, from an independent pharmacist's perspective, this couldn't be further from the truth. PSAOs are simply back-office services providers with no influence over prescription prices or patient insurance coverage.

We support more transparency in the healthcare supply chain. However, that must be brought forward with a thorough understanding of the supply chain itself. If New York lawmakers target PSAOs without understanding the crucial support they provide businesses like mine, we may see even more independent pharmacies close their doors, impacting patients' ability to access crucial healthcare services.

I hope you will take our concerns into consideration and amend the current budget language.

Thank you,

Gary Normatov, PharmD
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