



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

Dear Governor Hochul,

On behalf of the Pharmaceutical Industry Labor-Management Association (PILMA), I write to express strong opposition to the inclusion of 340B expansion language in the final New York State budget, including the language reflected in A.6222 (Paulin) / S.1913 (Rivera) and Part W of S.9007B.

PILMA is a shared coalition of labor unions and biopharmaceutical industry employers united by a commitment to growing the economy, creating high-quality union jobs, fostering medical innovation, and supporting access to affordable, high-quality healthcare for working families. Our members are deeply invested in policies that promote fairness, transparency, and long-term sustainability across the healthcare system.

As a partnership backed by labor, PILMA brings a direct worker perspective to policies that affect union-sponsored health plans, wages, and benefits. The concerns outlined in this letter reflect those shared by labor organizations within our coalition.

While we share concerns about prescription drug affordability, this proposal represents an unnecessary and problematic state-level intervention into the federal 340B Drug Pricing Program. Legislation of this kind reinforces a system that continues to lack sufficient transparency and accountability.

Just as importantly, these provisions do not ensure that 340B savings are reaching patients or being used to lower healthcare costs. Instead, they risk reinforcing inefficient distribution models while shifting additional costs onto employers and jointly administered Taft-Hartley health plans that are not eligible for 340B discounts. Unchecked use of 340B has increased prescription drug spending for Taft-Hartley plans by more than four percent per claim, costing union-sponsored health plans billions of dollars annually. Workers and retirees ultimately bear those costs through higher premiums.

These concerns are consistent with broader concerns across the labor community that 340B abuse and expansion can undermine the affordability of coverage for working families and erode the value of collectively bargained health benefits. New York should not entrench these problems through the state budget.

Any meaningful reform of the 340B program should occur at the federal level, where Congress can establish clear, uniform standards for transparency, accountability, and patient benefit. A

patchwork of state-by-state mandates will only deepen existing problems, increase administrative complexity, and drive up costs for workers, retirees, and employers.

For these reasons, PILMA respectfully urges that the 340B language reflected in A.6222 / S.1913 and Part W of S.9007B not be included in the final enacted New York State budget.

Sincerely,

A handwritten signature in blue ink, appearing to read 'AJ Stokes', with a stylized flourish at the end.

AJ Stokes  
Executive Director

Pharmaceutical Industry Labor-Management Association (PILMA)