



Hugh McDonald
SECRETARY OF COMMERCE

Jimmy Harris
COMMISSIONER,
ARKANSAS INSURANCE
DEPARTMENT

REPORT FROM AID CONCERNING RULE 128: FAIR AND REASONABLE PHARMACY REIMBURSEMENTS

FROM: Jimmy Harris, Commissioner; Daniel Holland, PBM General Counsel & Director
TO: Executive Committee & ALC
DATE: January 9, 2025
RE: Status Report on Implementation of Rule 128 & PBM Enforcement

This is the January report, as required by ALC and the Executive Committee, which approved AID Rule 128: *Fair and Reasonable Pharmacy Reimbursements* (Rule 128). Pursuant to an oral motion in the Executive Committee, AID now offers this report on activities related to the implementation of Rule 128, recently initiated enforcement efforts, ongoing audits, and licensing activity related to pharmacy benefit managers ("PBM").

I. Rule 128: Fair and Reasonable Reimbursement Rates

As previously reported, AID will use the upcoming Rule 128 reporting cycle to finalize the determination of which plans are consistently reimbursing pharmacies below their acquisition cost. These reports, covering the second half of 2025, are due on March 1, 2026. AID's third-party consultants will assist in reviewing and analyzing the incoming data.

II. December PBM Enforcement Actions & Investigations

- A settlement through consent order for \$50,000 has been reached with MedOne Pharmacy Benefit Solutions for alleged unlicensed PBM activity in Arkansas. Negotiations with the second unlicensed PBM, RxAdvance, are ongoing and will likely resolve before a hearing becomes necessary.
- A settlement through consent order for \$100,000 has been reached with Prime Therapeutics to resolve the disputed NADAC reimbursement claims referenced in the previous report.

- The PBM Division continues to work through two ongoing issues from affiliate pricing limited scope examinations:
 1. Navitus Health Solutions has objected to providing data related to any self-funded plans. A Notice of Public Hearing has been served on Navitus and the parties are currently briefing the issue for the hearing.
 2. Express Scripts has objected to providing certain contracts covering Arkansas pharmacies that were requested pursuant to the examination. The parties are currently working through the issue and will hopefully resolve it without resorting to administrative action.
- The PBM Division has initiated 4 enforcement actions from complaints received in December that will result in penalties and consent orders.

III. PBM Licensing

Since the December report, the PBM Division has approved three PBM license renewals for existing PBMs. There are currently two PBM license applications under review.