ARKANSAS INSURANCE DEPARTMENT

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

FROM: Jimmy Harris, Commissioner; Daniel Holland, Deputy Commissioner
TO: Executive Committee & ALC

DATE: November 20, 2026

RE: Status Report on Implementation of Rule 128 & PBM Enforcement

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This is the November 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, the Department identified health benefit plans whose average reimbursement to Arkansas pharmacies was below the national average drug acquisition cost ("NADAC"), along with health benefit plans that only slightly exceeded this average acquisition cost. The Department has sent Final Determinations under Rule 128 to 28 PBMs, who have provided notice to the underlying health benefit plans of their obligation to pay the additional cost to dispense of $10.50 for generic drugs, which is aligned with the Arkansas Medicaid dispensing cost for generics.

As of the date of this report, the additional cost to dispense under Rule 128 has been implemented on approximately 1,052 health benefit plans with more to follow. The PBM Division is currently working through appeals from health benefit plans seeking review of the Commissioner's Final Determination.

II. November PBM Enforcement Actions

- A penalty of $55,000 was entered against OptumRx, Inc. for reimbursements below the NADAC.
- A penalty of $95,000 was entered against Ventegra, Inc. for unlicensed PBM operations in Arkansas.

III. PBM Examinations

AID's examiners expect to have the first draft examination report for Navitus completed within the next week. Once the first draft is finalized, it will be submitted to the Department then sent to the PBM for comment. The Commissioner will then decide whether to adopt, reject, or call for an investigatory hearing regarding the final report and PBM comments.

The examination reports for Prime, Caremark, and OptumRx will be completed following the Navitus report. Examiners expect the examination report for Express Scripts to be completed in early 2027 after additional data was received during the on-site examination.