

## **Model EO/Regulatory/Legislative Language: MAC Updates, Reimbursements and Networks**

This order pertains to all third-party administrators, including pharmacy benefit managers, health insurance companies, and other entities licensed pursuant to the laws of this state relating to insurance (collectively, Administrators). The provisions in this order are effective March 1, 2020 until there is no longer a declared public health emergency.

Governor XXXX declared a state of emergency in STATE to protect the well-being of RESIDENTS OF STATE from the dangerous effects of COVID-19, and directed state agencies to develop and implement procedures consistent with recommendations from the HEALTH DEPARTMENT designed to prevent or alleviate the public health threat.

To ensure residents maintain access to prescription drugs and community pharmacy services during the state of emergency:

1. Administrators shall update their maximum allowable cost lists and any other pricing benchmarks used to determine pharmacy reimbursement rates at least once every three (3) days.
2. If, in the pharmacist's professional judgment, a drug supply shortage prevents a pharmacist from dispensing a drug as prescribed or in accordance with the Administrator's drug formulary and the pharmacist dispenses an alternative generic or therapeutically equivalent brand drug, the Administrator shall reimburse the pharmacy for the ingredient drug product component at a rate that is not less than the National Average Drug Acquisition Cost (NADAC) for the dispensed drug or, if the NADAC is unavailable, the Wholesale Acquisition Cost (WAC), plus the applicable professional dispensing fee under the plan.
3. Administrators shall suspend refill-too-soon edits.
4. Administrators shall not restrict a covered person's ability to select any pharmacy that is in the Administrator's pharmacy provider network, regardless of whether the network is a preferred provider network.

These provisions are effective until there is no longer a declared state of emergency in response to COVID-19.

This order also applies to all plans under the STATE'S purview, including but not limited to Medicaid and the STATE Employee Health Benefits program.