

August 30, 2024

The Honorable Sarah Huckabee Sanders
Governor, State of Arkansas
500 Woodlane St.
Little Rock, AR 72201

Dear Governor Sanders:

I am writing on behalf of the National Community Pharmacists Association (NCPA) in support of Emergency Rule 128, Pharmacy Benefits Manager Compensation Requirements for Network Adequacy. We commend the Arkansas Insurance Department for recognizing the need to address the dire reimbursement concerns of independent community pharmacies.

NCPA represents the interest of America's community pharmacists, including the owners of more than 19,400 independent community pharmacies across the United States and approximately 359 independent community pharmacies in Arkansas. These pharmacies employed nearly 4,300 residents and they filled over 23.7 million prescriptions in 2022.

Community pharmacists have long known that opaque PBM practices not only hamper patients' ability to obtain pharmacy services from their trusted community pharmacists, but those practices can also lead to higher drug costs for both patients and plan sponsors. Due to the massive consolidation and vertical integration in the health insurance market¹, the three largest PBM's control 80% of the prescription drug market² giving them the power to engage in abusive practices which limit patient access, increase drug costs and threaten the viability of small business pharmacies.

NCPA strongly supports the proposal to require and enforce fair and reasonable reimbursement with the National Drug Average Acquisition Cost benchmark (NADAC) and a professional dispensing fee as policy guideposts. We support the use of NADAC, a transparent and data-driven benchmark updated monthly, when it is accompanied by a properly derived professional dispensing fee. We appreciate the proposal's "fair and reasonable cost to dispense shall be calculated commiserate with the time, labor, supplies, and other administrative costs associated with the dispensing of the drug by the pharmacy." NCPA stands ready to support in-state partners to offer information and perspective to AID about the elements of an appropriate professional dispensing fee.

The Rule wisely points out that insurers who reimburse at fair and reasonable rates will be unaffected by the proposal. Meanwhile, under-reimbursing payers will either justify their reimbursement schemes or be required to pay fair and reasonable reimbursement.

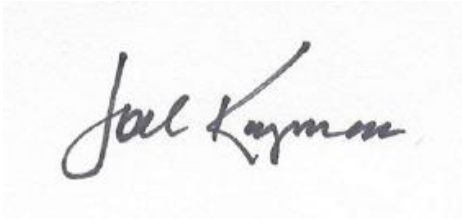
¹ <https://ncpa.org/sites/default/files/2023-01/verical-bus-chart.jpg>

² [Drug Channels: The Top Pharmacy Benefit Managers of 2021: The Big Get Even Bigger](#)

NCPA also supports the proposed fine of \$5,000 per violation, noting that clarification could be helpful to state each claim is considered to be a violation and there is no maximum penalty. We also recommend these fines be earmarked into a segregated fund that helps sustain PBM oversight.

Thank you for receiving our perspective. If you have any questions, please do not hesitate to contact me at (703) 600-1186 or joel.kurzman@ncpa.org.

Sincerely,

A handwritten signature in black ink that reads "Joel Kurzman". The signature is written in a cursive style with a large initial 'J' and 'K'.

Joel Kurzman
Director, State Government Affairs

CC: Office of the Insurance Commissioner