

1 State of Arkansas
2 93rd General Assembly
3 Second Extraordinary Session, 2021
4

A Bill

Call Item 4
SENATE BILL 7

5 By: Senators D. Sullivan, Rice
6 By: Representatives Payton, Wardlaw
7

For An Act To Be Entitled

9 AN ACT TO REPEAL THE LAW CONCERNING PHARMACEUTICAL
10 DISCOUNTS FOR INSULIN; TO DECLARE AN EMERGENCY; AND
11 FOR OTHER PURPOSES.
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Subtitle

14 TO REPEAL THE LAW CONCERNING
15 PHARMACEUTICAL DISCOUNTS FOR INSULIN; AND
16 TO DECLARE AN EMERGENCY.
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. Arkansas Code § 4-86-111 is repealed.

23 ~~4-86-111. Pharmaceutical manufacturer discounts for insulin—~~
24 ~~Pharmaceutical manufacturer—Definition—~~

25 ~~(a)(1) As used in this section, “pharmaceutical manufacturer discount”~~
26 ~~means a discount offered by a pharmaceutical manufacturer or an affiliate of~~
27 ~~a pharmaceutical manufacturer, directly or indirectly, on a prescription~~
28 ~~drug.~~

29 ~~(2) “Pharmaceutical manufacturer discount” includes without~~
30 ~~limitation:~~

31 ~~(A) Coupon cards;~~

32 ~~(B) Price concessions;~~

33 ~~(C) Rebates;~~

34 ~~(D) Manufacturer administrative fees;~~

35 ~~(E) Inflation payments;~~

36 ~~(F) Product discounts or fees related to procurement of~~



1 ~~prescription drug inventories;~~

2 ~~(G) Care management fees; and~~

3 ~~(H) Any other fees that are paid by a pharmaceutical~~
4 ~~manufacturer to secure placement on a drug formulary or to otherwise move~~
5 ~~market share of a prescription drug that is intended to reduce the net cost~~
6 ~~to a patient, consumer, or healthcare payor.~~

7 ~~(b)(1) Except as provided in subdivision (b)(2) of this section, a~~
8 ~~pharmaceutical manufacturer or an affiliate of a pharmaceutical manufacturer~~
9 ~~is prohibited from providing a pharmaceutical manufacturer discount on any~~
10 ~~insulin product.~~

11 ~~(2) A pharmaceutical manufacturer discount may be offered for an~~
12 ~~insulin product if the pharmaceutical manufacturer discount is:~~

13 ~~(A) Provided directly to the end user in the form of a~~
14 ~~pharmaceutical manufacturer discount coupon card; and~~

15 ~~(B) Adjudicated in real time using the National Council~~
16 ~~for Prescription Drug Programs claims transmission standard.~~

17 ~~(c) The Attorney General may:~~

18 ~~(1) Investigate potential violations of this section; and~~

19 ~~(2) Bring suit against a pharmaceutical manufacturer in~~
20 ~~violation of this section.~~

21 ~~(d) This section does not apply to the Arkansas Medicaid Program.~~

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23 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
24 General Assembly of the State of Arkansas that the limitations established
25 under Acts 2021, No. 1104, § 1, on pharmaceutical manufacturer discounts for
26 insulin may negatively affect the economic health of the state, leading to
27 higher costs on health benefit plans; that the limitations on pharmaceutical
28 manufacturer discounts established under Acts 2021, No. 1104, § 1, need to be
29 repealed to preserve the public peace, health, and safety of the state; and
30 that this act is immediately necessary to protect the economic health of the
31 state and preserve the public peace, health, and safety of the state.
32 Therefore, an emergency is declared to exist, and this act being immediately
33 necessary for the preservation of the public peace, health, and safety shall
34 become effective on:

35 (1) The date of its approval by the Governor;

36 (2) If the bill is neither approved nor vetoed by the Governor,

1 the expiration of the period of time during which the Governor may veto the
2 bill; or

3 (3) If the bill is vetoed by the Governor and the veto is
4 overridden, the date the last house overrides the veto.

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7 **APPROVED: 12/9/21**
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