

## PURPOSE OF BILL: HB 1150

To prohibit a Pharmacy Benefits Manager (PBM) from obtaining certain pharmacy permits; and for other purposes

## ACTUARIAL STATEMENT

The Fiscal Impact Statement was prepared according to generally accepted actuarial principles and practices, in compliance with ACT 112. The Statement provides an estimate of the financial and actuarial effect of the proposed change(s) on the Plans, if possible. The Statement makes no comment or opinion with regard to the merits of the measure for which the Statement is prepared; however, any identified technical or mechanical defects have been noted.

We have reviewed the input and results of our analysis for reasonableness and relied upon the data and information provided by the Plans and their Claims Processing Contractors.

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3/17/2025

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Patrick Klein, FSA, MAAA  
Vice President, Segal

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Date

A handwritten signature in black ink, appearing to read "Matthew Kersting".

3/17/2025

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Matthew Kersting, FSA, MAAA  
Vice President, Segal

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Date

## PROJECTED COSTS

Plan	Plan Design Change	Estimated Cost/(Savings)
EBD	Removing PBM owned Pharmacies from network	\$600,000 - \$1,000,000

## PRICING APPROACH AND COMMENTS

HB 1150 or " An Act to Prohibit a Pharmacy Benefits Manager from Obtaining Certain Pharmacy Permits; And for Other Purposes " prohibits PBMs from acquiring direct or indirect interest in, or holding permits for the retail sale of drugs in Arkansas. The State Board of Pharmacy would be required to revoke permits of entities that violate this.

EBD would need to reevaluate and restructure their pharmacy networks and implement new compliance measures. There could be minor cost or saving to the plan from excluding certain retail pharmacies from their network, such as CVS Caremark. Such a change would require a significant number of EBD members to transfer their prescriptions to an in-network pharmacy and may reduce pharmacy network access.

The cost impact is expected to be greater on specialty prescriptions. Specialty scripts filled at PBM owned pharmacies (Accredo, CVS/Caremark, and Optum) all will need to be filled by a different specialty pharmacy. Using CY 2024 data, Navitus determined this change would add \$600,000 of cost to EBD's plan under the current reimbursement rates. Note, this impact could have a greater magnitude in the future, as less competition would likely drive less favorable rates.

We are estimating a projected cost impact between \$600,000 - \$1,000,000. In addition, there would be member disruptions and operational challenges created by this bill.