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: August 21, 2026

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

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This is the August 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 PBM Division (hereinafter "Division") sent Notices of Preliminary Determination to PBMs who were found to pay, on average, below what is considered a fair and reasonable reimbursement rate to Arkansas pharmacies. After receiving and reviewing the responses, the Division has sent Rule 128 Orders to 32 pharmacy benefits managers, which encompass approximately 1,600 plans represented by those specific PBMs. These orders will implement the state Medicaid cost to dispense for generic drugs to improve the reimbursement to pharmacies in this state, and maintain an adequate network or pharmacies for Arkansas residents.

As of this report, the Division has now implemented the Arkansas Medicaid cost to dispense on approximately fifty (50) different health benefit plans. This Rule 128 cost to dispense will go into effect for these plans on September 11, 2026, which is thirty (30) days after the Order was signed. The number of health benefit plans on which this cost to dispense is implemented will increase as more Rule 128 Orders are entered over the coming weeks. The Division will require each PBM to provide notification to their contracted pharmacies about which health benefit plans have implemented the Rule 128 cost to dispense.

## II. August PBM Enforcement Actions & Licensing

- A consent order and penalty of $60,000 was entered against Scriptclaim Systems, L.L.C., for unlicensed PBM operations in Arkansas.
- A consent order and penalty of $20,000 was entered against OptumRx for reimbursements below the NADAC in violation of Arkansas law.
- A consent order and penalty of $200,000 was entered against SavRx, L.L.C., for reimbursements below the NADAC in violation of Arkansas law. A corrective action plan was also implemented as part of this Order.
- A penalty of $1,000 was assessed against TrueRx Management Services for a pharmacy reimbursement below the NADAC in violation of Arkansas law.
- A penalty of $2,500 was assessed against Prime Therapeutics for a prescription reimbursement below the NADAC in violation of Arkansas law.
- A penalty of $2,500 was assessed against ProCare Pharmacy Benefit Manager for a prescription reimbursement below the NADAC in violation of Arkansas law.
- A penalty of $2,000 was assessed against LucyRx Health Solutions for a prescription reimbursement below the NADAC and in violation of Arkansas law.

## III. Ongoing PBM Examinations

- Navitus Health Solutions requested an administrative hearing at AID regarding whether it was required to produce data for self-funded, non-governmental ERISA plans pursuant to the examination. The hearing officer ruled in favor of the Department and ordered Navitus to produce the requested information. Navitus then filed an appeal of the administrative decision in Pulaski County Circuit Court, Case No. 60CV-26-8342. This examination will resume once a decision is reached by the Circuit Court.
- An on-site examination of Express Scripts Administrators has been scheduled for September 7 through September 18, 2026. Due to various

inconsistencies with the information provided thus far in the exam, AID's examiners must go to Express Script's headquarters in St. Louis to reconcile these inconsistencies and get a clear picture of Express Scripts' business practices in Arkansas.