

State of Arkansas

As Engrossed: H3/18/25

95th General Assembly

A Bill

Regular Session, 2025

HOUSE BILL 1531

By: Representative Achor

By: Senator J. Boyd

For An Act To Be Entitled

AN ACT TO PROHIBIT PHARMACEUTICAL MANUFACTURERS FROM
RESTRICTING OR LIMITING PRESCRIPTION MEDICATIONS TO A
LIMITED DISTRIBUTION NETWORK OF OUT-OF-STATE
PHARMACIES; AND FOR OTHER PURPOSES.

Subtitle

TO PROHIBIT PHARMACEUTICAL MANUFACTURERS
FROM RESTRICTING OR LIMITING
PRESCRIPTION MEDICATIONS TO A LIMITED
DISTRIBUTION NETWORK OF OUT-OF-STATE
PHARMACIES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code Title 20, Chapter 64, Subchapter 1, is
amended to add an additional section to read as follows:

20-64-105. Pharmaceutical manufacturer limited distribution of
medication – Legislative findings – Definitions.

(a) The General Assembly finds that:

(1) It is beneficial to this state to support patient access to
prescription drugs and pharmacy services in a market that ensures that
patients can access safe and effective prescription medications with same day
access, as well as patient freedom of choice to utilize local trusted
medication experts and state-based local pharmacists who support patients
with advice and guidance for safe and effective use of these medications;

(2) It may cause harm to patients in this state when local
pharmacies, clinics, and hospitals are unable to access prescription



1 medications from pharmaceutical manufacturers or pharmaceutical wholesalers
2 due to out-of-state limited distribution to pharmacies utilizing:

3 (A) Pharmacy benefits manager-affiliated mail order
4 pharmacies;

5 (B) Publicly traded corporation pharmacies;

6 (C) Pharmaceutical manufacturer-affiliated mail order
7 pharmacies;

8 (D) Insurance company-affiliated mail order pharmacies; or

9 (E) Pharmaceutical wholesaler-affiliated mail order
10 pharmacies;

11 (3) The reasons for the limited distribution networks by
12 pharmaceutical manufacturers are not often disclosed or may not operate with
13 optimal patient safety and same day patient access in mind;

14 (4) The supply chain that brings prescription medications from
15 the pharmaceutical manufacturer to the pharmacy is often complex and lacks
16 transparency; and

17 (5) Having more transparency and oversight concerning limited
18 distribution medications would:

19 (A) Protect patients with better and more stable
20 prescription drug inventory for both immediate and long-term patient care
21 needs; and

22 (B) Better respond to future national security threats and
23 natural disasters in this state.

24 (b) As used in this section:

25 (1) "Pharmaceutical manufacturer" means a business or entity
26 that makes, processes, or packages prescription drugs, over-the-counter
27 medications, or medical devices to sell in pharmacies or other healthcare
28 facilities, including any activities that manipulate, test, or control the
29 product or process;

30 (2) "Pharmaceutical manufacturer for Medicaid" means an entity
31 or business that is engaged in manufacturing, preparing, propagating,
32 compounding, processing, packaging, repackaging, or labeling of a
33 prescription drug that is eligible in the Medicaid Drug Rebate Program or
34 agrees to participate in the Medicaid Drug Rebate Program to pay a rebate to
35 states for prescription drugs covered by the Arkansas Medicaid Program; and

36 (3) "State government and public plan sponsor" means an employer

1 sponsor of a health benefit plan for employees that is established or
2 maintained by:

3 (A) The Arkansas Municipal League;

4 (B) The Employee Benefits Division;

5 (C) A public two-year or four-year institution of higher
6 education, including a community college or technical college;

7 (D) The Division of Arkansas State Police;

8 (E) A municipality;

9 (F) A county; or

10 (G) Any other plan or program that is funded by a state
11 appropriation to furnish, cover the cost of, or otherwise provide for
12 pharmacist services to an individual who resides in or is employed in this
13 state.

14 (c)(1) A pharmaceutical manufacturer or a pharmaceutical manufacturer
15 for Medicaid that expects for their prescription medications to be eligible,
16 considered for payment, and covered in a state government and public plan
17 sponsor for health benefit plans:

18 (A) Shall have an active wholesale distributor permit active and
19 in good standing with the Arkansas State Board of Pharmacy under § 20-64-505;
20 and

21 (B) Shall not restrict or limit prescription medications more
22 than three (3) months after a launch of a new product to a limited
23 distribution network of pharmacies without having similar access with at
24 least:

25 (i) A local network of public institution academic medical
26 center access;

27 (ii) Geographic diversity of access within the state; and

28 (iii) Diverse access for local for-profit and nonprofit
29 pharmacies in good standing with the board and that have experience or
30 accreditation in managing expensive specialty or limited distribution
31 medications.

32 (2) Subdivision (c)(1) of this section does not apply to the
33 State and Public School Life and Health Insurance Program.

34 (d)(1)(A) A pharmaceutical manufacturer or a pharmaceutical
35 manufacturer for Medicaid that requests for restricted networks for six (6)
36 months or longer shall present the request to the board to explain how the

1 restriction will support and not hinder the mission of the board to promote,
2 preserve, and protect the public health, safety, and welfare of citizens of
3 this state.

4 (B) The request under subdivision (d)(1)(A) of this
5 section shall not be effective until the request is approved by the board.

6 (2)(A) When considering the request under subdivision (d)(1)(A)
7 of this section, the board may consider the following factors for a request
8 of a limited network:

9 (i) Costs;
10 (ii) Logistics;
11 (iii) Patient caseload;
12 (iv) The rarity of the prescription drug that is
13 used; and

14 (v) The rarity of the disease or condition.

15 (B) The limited network shall allow some pharmacies in
16 this state to participate and access the medications to meet the needs of
17 patients with same day access in this state without requiring patients to use
18 out-of-state or in-state common mail carriers for access.

19 (3) The board may issue a temporary waiver or temporary limited
20 use allowance for utilization, payment, or coverage of prescription drugs
21 from a pharmaceutical manufacturer or a pharmaceutical manufacturer for
22 Medicaid for coverage and payment for a state government and public plan
23 sponsor for a health benefit plan to protect public health and access.

24 (4) A public hearing of the board shall be called as soon as
25 possible to discuss and approve or deny any request for a permanent limited
26 network or restriction relating to state-based Class A pharmacies with retail
27 permits in good standing with the board.

28 (e) A state government and public plan sponsor for a health benefit
29 plan shall not pay for prescription drugs from a pharmaceutical manufacturer
30 or a pharmaceutical manufacturer for Medicaid who is noncompliant with this
31 section unless the board has granted a temporary waiver or temporary
32 allowance to protect public health and access.

33 (f) If a pharmaceutical manufacturer or a pharmaceutical manufacturer
34 for Medicaid is not in compliance with this section, the board shall fine the
35 pharmaceutical manufacturer or a pharmaceutical manufacturer for Medicaid ten
36 thousand dollars (\$10,000) per day of noncompliance.

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2 SECTION 2. DO NOT CODIFY. SEVERABILITY CLAUSE. If any provision of
3 this act or the application of this act to any person or circumstance is held
4 invalid, the invalidity shall not affect other provisions or applications of
5 this act which can be given effect without the invalid provision or
6 application, and to this end, the provisions of this act are declared
7 severable.

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9 SECTION 3. DO NOT CODIFY. TEMPORARY LANGUAGE. Compliance date.
10 A pharmaceutical manufacturer or a pharmaceutical manufacturer for
11 Medicaid shall be in compliance with this act on or before September 1, 2026.

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13 /s/Achor
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