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SECRETARY OF COMMERCE

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INSURANCE COMMISSIONER,
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DEPARTMENT

AUGUST 27, 2021


BULLETIN NO. 13-2021

TO: PHARMACY BENEFIT MANAGERS, HEALTH INSURERS, HEALTH MAINTENANCE ORGANIZATIONS, HOSPITAL PUBLIC SERVICE CORPORATIONS, HEALTHCARE PAYERS, AND OTHER INTERESTED PARTIES

FROM: ARKANSAS INSURANCE DEPARTMENT

SUBJECT: "NADAC" PRICING MINIMUMS

The Arkansas Insurance Commissioner ("Commissioner") issues this Bulletin to all Arkansas licensed pharmacy benefit managers ("PBMs") regarding national average drug acquisition cost ("NADAC") pricing minimums. Pursuant to Ark. Code Ann. 23-92-506(b)(5), under the PBM Licensure Act, "a pharmacy benefits manager or representative of a pharmacy benefits manager shall not pay or reimburse a pharmacy or pharmacist for the ingredient drug product component of pharmacist services less than the national average drug acquisition cost or, if the national average drug acquisition cost is unavailable, the wholesale acquisition cost." Violation(s) of the provisions of the Arkansas Pharmacy Benefit Manager Licensure Act are considered to be trade practice violations under Arkansas Insurance Department Rule 118 under Section 11. PBMs need to immediately correct their systems to establish NADAC minimum claims practices or face enforcement and violation actions. Please also be advised that the NADAC requirements now apply to all PBMs administering plans for "healthcare payors," which includes self-funded employer plans.



ALAN McCLAIN
INSURANCE COMMISSIONER
STATE OF ARKANSAS

8-27-21

DATE