

1 State of Arkansas
2 95th General Assembly
3 Regular Session, 2025
4

A Bill

HOUSE BILL 1531

5 By: Representative Achor
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For An Act To Be Entitled

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

15 TO PROHIBIT PHARMACEUTICAL MANUFACTURERS
16 FROM RESTRICTING OR LIMITING
17 PRESCRIPTION MEDICATIONS TO A LIMITED
18 DISTRIBUTION NETWORK OF OUT-OF-STATE
19 PHARMACIES.
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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24 SECTION 1. Arkansas Code Title 20, Chapter 64, Subchapter 1, is
25 amended to add an additional section to read as follows:

26 20-64-105. Pharmaceutical manufacturer limited distribution of
27 medication – Legislative findings – Definitions.

28 (a) The General Assembly finds that:

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

35 (2) It may cause harm to patients in this state when local
36 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) A pharmaceutical manufacturer or a pharmaceutical manufacturer for
 15 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 (1) 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 (2) 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 (A) A local network of public institution academic medical
 26 center access;

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

28 (C) 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 (d)(1)(A) A pharmaceutical manufacturer or a pharmaceutical
 33 manufacturer for Medicaid that requests for restricted networks for six (6)
 34 months or longer shall present the request to the board to explain how the
 35 restriction will support and not hinder the mission of the board to promote,
 36 preserve, and protect the public health, safety, and welfare of citizens of

1 this state.

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

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

7 (i) Costs;

8 (ii) Logistics;

9 (iii) Patient caseload;

10 (iv) The rarity of the prescription drug that is
11 used; and

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

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

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

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

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

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