

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

# A Bill

SENATE BILL 593

5 By: Senator J. Boyd  
6 By: Representative Achor  
7

## For An Act To Be Entitled

8  
9 AN ACT TO AMEND THE ARKANSAS PHARMACY BENEFITS  
10 MANAGER LICENSURE ACT; TO CREATE THE PHARMACY  
11 SERVICES ADMINISTRATIVE ORGANIZATION ACT; AND FOR  
12 OTHER PURPOSES.  
13  
14

## Subtitle

15  
16 TO AMEND THE ARKANSAS PHARMACY BENEFITS  
17 MANAGER LICENSURE ACT; AND TO CREATE THE  
18 PHARMACY SERVICES ADMINISTRATIVE  
19 ORGANIZATION ACT.  
20

21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
22

23 SECTION 1. Arkansas Code § 23-92-503(12), concerning the definition of  
24 "pharmacy services administrative organization" used under the Arkansas  
25 Pharmacy Benefits Manager Licensure Act, is amended to read as follows:

26 (12) "Pharmacy services administrative organization" means an  
27 organization that helps community pharmacies ~~and pharmacy benefits managers~~  
28 ~~or third party payers~~ achieve administrative and economic efficiencies,  
29 including contracting, reimbursement, and payment efficiencies;  
30

31 SECTION 2. Arkansas Code § 23-92-503, concerning definitions used  
32 under the Arkansas Pharmacy Benefits Manager Licensure Act, is amended to add  
33 additional subdivisions to read as follows:

34 (16)(A) "Pharmacy benefits manager national contract to  
35 pharmacies" means a standardized agreement entered into by a pharmacy  
36 benefits manager and a network of pharmacies across the United States in



1 which a pharmacy is, either directly or indirectly, passed through a pharmacy  
 2 services administrative organization to agree to certain pricing terms and  
 3 conditions if that pharmacy is included within a pharmacy benefits manager  
 4 network.

5 (B) "Pharmacy benefits manager national contract to  
 6 pharmacies" includes a nationwide network of pharmacies that have entered  
 7 into a contract for national reimbursement rates, terms, and conditions that  
 8 are not Arkansas-specific with a pharmacy benefits manager to provide  
 9 pharmacist services, including without limitation dispensing medications to a  
 10 patient within the pharmacy benefits manager network; and

11 (17) "Pharmacy services administrative organization contracting"  
 12 means an agreement between a pharmacy or pharmacist with a pharmacy benefits  
 13 manager and other healthcare payors for a health benefit plan.

14  
 15 SECTION 3. Arkansas Code Title 23, Chapter 99, is amended to add an  
 16 additional subchapter to read as follows:

17 Subchapter 20 – Pharmacy Services Administrative Organization Act

18  
 19 23-99-2001. Title.

20 This subchapter shall be known and may be cited as the "Pharmacy  
 21 Services Administrative Organization Act".

22  
 23 23-99-2002. Definitions.

24 As used in this subchapter:

25 (1) "Health benefit plan" means the same as defined in § 23-92-  
 26 503;

27 (2) "Healthcare payor" means the same as defined in § 23-92-503;

28 (3) "Pharmacy benefits manager" means the same as defined in §  
 29 23-92-503;

30 (4) "Pharmacy benefits manager national contract to pharmacies"  
 31 means the same as defined in § 23-92-503;

32 (5) "Pharmacy services administrative organization" means the  
 33 same as defined in § 23-92-503;

34 (6) "Pharmacy services administrative organization contracting"  
 35 means the same as defined in § 23-92-503; and

36 (7) "Pharmacy services administrative organization-pharmacy

1 contract" means a contractual agreement between a pharmacy services  
2 administrative organization and a pharmacy by which a pharmacy services  
3 administrative organization agrees to negotiate with a pharmacy benefits  
4 manager and other healthcare payors for health benefit plans on behalf of a  
5 pharmacy or pharmacist and to provide other services as stated in the  
6 pharmacy services administrative organization-pharmacy contract.

7  
8 23-99-2003. Registration requirements – Application – Fees.

9 (a)(1) A pharmacy services administrative organization shall not  
10 provide any service in Arkansas without being registered with the State  
11 Insurance Department under this subchapter.

12 (2)(A) An initial registration fee for a pharmacy services  
13 administrative organization is two hundred fifty dollars (\$250).

14 (B) The Insurance Commissioner may charge registration  
15 renewal fees as established by rule.

16 (b)(1) The commissioner shall prescribe the application for  
17 registration to operate in Arkansas as a pharmacy services administrative  
18 organization.

19 (2) An application for registration as a pharmacy services  
20 administrative organization shall include:

21 (A) The full business name of the pharmacy services  
22 administrative organization;

23 (B) The name, business address, phone number, website, and  
24 email address for the primary contact;

25 (C) The name, business address, phone number, website, and  
26 email address for the contact designated to handle grievances; and

27 (D) The employer identification number, also known as the  
28 federal employer identification number or the federal tax identification  
29 number.

30 (3) The commissioner may charge application fees as established  
31 by rule.

32  
33 23-99-2004. Notice and disclosure requirements.

34 (a)(1) Beginning on or before March 1, 2026, a pharmacy services  
35 administrative organization shall file with the Insurance Commissioner an  
36 annual report for the preceding calendar year.

1           (2) A report may be requested by the commissioner on renewal of  
2 the registration of the pharmacy services administrative organization if the  
3 information is needed.

4           (b) The annual report required under subsection (a) of this section  
5 shall:

6           (1) Include an approximate number of pharmacies that the  
7 pharmacy services administrative organization has a pharmacy services  
8 administrative organization-pharmacy contract with within the state; and

9           (2) Include the names of:

10           (A) The pharmacy benefits managers with which the pharmacy  
11 services administrative organization has an agreement; and

12           (B) The pharmacy benefits managers with which the pharmacy  
13 services administrative organization does not have an agreement.

14           (c) A pharmacy services administrative organization shall annually  
15 disclose to the State Insurance Department and to pharmacists who or  
16 pharmacies that have an active pharmacy services administrative organization-  
17 pharmacy contract the extent of any ownership or control of the pharmacy  
18 services administrative organization by a parent company, subsidiary, or  
19 other organization that:

20           (1) Manufactures, sells, or distributes prescription drugs and  
21 is licensed, permitted, or registered as a wholesale distributor in this  
22 state with the Arkansas State Board of Pharmacy; or

23           (2) Sells prescription drugs and medicines at retail and is  
24 licensed, permitted, or registered as a retail pharmacy with the board.

25           (d) A pharmacy services administrative organization shall notify the  
26 department in writing within five (5) business days of any material change in  
27 its ownership or control relating to any company, subsidiary, or other  
28 organization described in subsection (c) of this section.

29  
30           23-99-2005. Pharmacy services administrative organization contracting  
31 – Requirements.

32           (a)(1) A pharmacy benefits manager shall offer and include in any  
33 existing pharmacy services administrative organization a separate Arkansas-  
34 based amendment that complies with the Arkansas Pharmacy Benefits Manager  
35 Licensure Act, § 23-92-501 et seq., and other state laws on or before January  
36 1, 2026.

1           (2) A contract provision that states that the pharmacy benefits  
2 manager agrees to comply with applicable laws does not comply with the  
3 requirement in subdivision (a)(1) of this section.

4           (3) The Insurance Commissioner may review the pharmacy services  
5 administrative organization agreements that are executed between a pharmacy  
6 and a pharmacy benefits manager if the commissioner has an active  
7 investigation of state laws being violated by the pharmacy benefits manager  
8 related to an executed agreement with a pharmacy services administrative  
9 organization.

10          (b)(1)(A) A pharmacy services administrative organization-pharmacy  
11 contract shall include a provision that requires a pharmacy services  
12 administrative organization to provide to a pharmacy a copy of the pharmacy  
13 services administrative organization-pharmacy contract, amendment, payment  
14 schedule, or reimbursement rates within thirty (30) days of the receipt of a  
15 written request from a pharmacy or pharmacist after the execution of a  
16 pharmacy services administrative organization-pharmacy contract, or an  
17 amendment to a pharmacy services administrative organization-pharmacy  
18 contract, signed on behalf of the pharmacy if it is a new agreement, new  
19 network, or has a reduction in reimbursement rates compared to the previous  
20 agreement.

21           (B) The pharmacy services administrative organization may  
22 respond to a written request from a pharmacy or a pharmacist under  
23 subdivision (b)(1)(A) of this section by making the pharmacy services  
24 administrative organization-pharmacy contract document or an amendment or  
25 update to the pharmacy services administrative organization-pharmacy contract  
26 document available through a pharmacy portal.

27           (2) Upon written request from a pharmacy or pharmacist for an  
28 existing pharmacy services administrative organization-pharmacy contract, a  
29 pharmacy services administrative organization-pharmacy contract shall include  
30 a provision that requires a pharmacy services administrative organization to  
31 provide to a pharmacy a copy of the pharmacy services administrative  
32 organization-pharmacy contract, amendment, payment schedule, or reimbursement  
33 rates within five (5) business days of the request.

34           (c) A pharmacy services administrative organization may file a  
35 complaint with the commissioner against a pharmacy benefits manager or other  
36 healthcare payor for "take it or leave it" terms and conditions in a proposed

1 contract, pharmacy provider manual, or contract amendment that violate  
2 requirements of state law if the pharmacy benefits manager does not actively  
3 respond, communicate, and adjust to the concerns of a pharmacy services  
4 administrative organization, pharmacy, or pharmacist that the proposed  
5 contract or provider manual terms do not follow state law.

6 (d) The information or data acquired during an examination or review  
7 under subsections (a) and (b) of this section is:

8 (1) Considered proprietary and confidential under §§ 23-61-  
9 107(a)(4) and 23-61-207; and

10 (2) Not subject to the Freedom of Information Act of 1967, § 25-  
11 19-101 et seq.

12  
13 23-99-2006. Enforcement – Rules.

14 (a) The Insurance Commissioner shall promulgate rules to administer  
15 and enforce this subchapter.

16 (b) After notice and opportunity for hearing, the commissioner may  
17 revoke, place on probation, or suspend the registration of a pharmacy  
18 services administrative organization.

19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36