

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

A Bill

HOUSE BILL 1620

5 By: Representative Gramlich
6 By: Senator K. Hammer
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW CONCERNING PHARMACY BENEFITS
10 MANAGERS; TO REGULATE PROCESSING AND PAYMENT OF
11 PHARMACY CLAIMS; TO CREATE THE PHARMACY AND
12 PHARMACIST TIMELY RECONCILIATION AND PAYMENT OF
13 PHARMACIST SERVICES ACT; TO AMEND THE ARKANSAS
14 PHARMACY AUDIT BILL OF RIGHTS; TO AMEND THE ARKANSAS
15 PHARMACY BENEFITS MANAGER LICENSURE ACT; AND FOR
16 OTHER PURPOSES.

Subtitle

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19 TO AMEND THE LAW CONCERNING PHARMACY
20 BENEFITS MANAGERS; AND TO REGULATE
21 PROCESSING AND PAYMENT OF PHARMACY
22 CLAIMS.
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25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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27 SECTION 1. DO NOT CODIFY. Title.

28 This act shall be known and may be cited as the "Pharmacy and
29 Pharmacist Timely Reconciliation and Payment of Pharmacist Services Act".
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31 SECTION 2. DO NOT CODIFY. Legislative findings.

32 The General Assembly finds that:

33 (1) It is beneficial to the State of Arkansas to support patient
34 access to prescription drugs and pharmacy services in a market that minimizes
35 difficulties caused by slow payments from pharmacy benefits managers to
36 improve patient care;



1 (2) Requiring prompt payment of coverage of prescription drugs
 2 to an Arkansas-licensed pharmacy and pharmacist will ensure that these
 3 pharmacies and pharmacists have stable and predictable cash flow from
 4 contracted intermediaries, vendors, pharmacy benefits managers, and claims
 5 processors hired by pharmaceutical manufacturers; and

6 (3) Prompt payment policies will improve the ability of an
 7 Arkansas-licensed pharmacy to:

8 (A) Serve patients with better and more stable
 9 prescription drug inventory for immediate patient-care needs; and

10 (B) Better respond to future national security threats and
 11 natural disasters in the communities of Arkansas.

12
 13 SECTION 3. Arkansas Code § 17-92-1201, concerning the Arkansas
 14 Pharmacy Audit Bill of Rights, is amended to add an additional subsection to
 15 read as follows:

16 (i) This section does apply to the Arkansas Medicaid Program,
 17 including a vendor or an entity that is hired or contracted by the Arkansas
 18 Medicaid Program to conduct an audit of pharmacy claims processed under the
 19 Arkansas Medicaid Program.

20
 21 SECTION 4. Arkansas Code Title 17, Chapter 92, Subchapter 12, is
 22 amended to add an additional section to read as follows:

23 17-92-1202. Definitions.

24 As used in this subchapter:

25 (1)(A) "Audit" means a financial audit, performance audit,
 26 information technology audit, review, report of agreed-upon procedures,
 27 compilation, examination, investigation, prepayment audit, or other report or
 28 procedure regarding the practice of pharmacy, including without limitation an
 29 audit of a pharmacist or pharmacy for pharmacist services.

30 (B) "Audit" includes a prescription validation request or
 31 prescription validation review if:

32 (i) The prescription validation request or review
 33 requires the pharmacist or pharmacy to submit additional information to the
 34 pharmacy benefits manager after a claim has been processed successfully at
 35 the point of sale; or

36 (ii) There is any attempted or required recoupment

1 of funds or denial of payment to the pharmacy or pharmacist after a
2 successful electronically billed or submitted claim based on a prescription
3 validation request or prescription validation review;

4 (2) "Prepayment audit" means an audit or review that occurs
5 shortly after the sale and dispensing of a drug to a patient and before the
6 reimbursement payment to the pharmacy, regardless of the label given to the
7 audit or review or the method used to communicate the prepayment audit to the
8 pharmacy;

9 (3) "Prescription validation request or review" means
10 information provided to a pharmacy or pharmacist to help educate, clarify, or
11 verify the accuracy and validity of prescription claim submissions; and

12 (4) "Randomly selected" means selected without method or
13 conscious decision.

14
15 SECTION 5. Arkansas Code § 23-92-503(8), concerning the definition of
16 "pharmacy benefits manager" used under the Arkansas Pharmacy Benefits Manager
17 Licensure Act, is amended to read as follows:

18 (8)(A) "Pharmacy benefits manager" means a person, business, or
19 entity, including a wholly or partially owned or controlled subsidiary of a
20 pharmacy benefits manager, that provides claims processing services, pharmacy
21 benefits management services, or other prescription drug or device services,
22 or ~~both~~ any combination of the three (3), for health benefit plans.

23 (B) "Pharmacy benefits manager" does not include any:
24 (i) Healthcare facility licensed in Arkansas;
25 (ii) Healthcare professional licensed in Arkansas;
26 (iii) Consultant who only provides advice as to the
27 selection or performance of a pharmacy benefits manager; or
28 (iv) Entity that provides claims processing services
29 or other prescription drug or device services for the fee-for-service
30 Arkansas Medicaid Program only in that capacity;

31
32 SECTION 6. Arkansas Code § 23-92-503, concerning definitions used
33 under the Arkansas Pharmacy Benefits Manager Licensure Act, is amended to add
34 additional subdivisions to read as follows:

35 (16)(A) "Clean claim" means a pharmacy claim that does not have
36 a defect, including without limitation a lack of any required substantiating

1 documentation or particular circumstance requiring special treatment that may
2 prevent timely payment of the pharmacy claim.

3 (B) "Clean claim" includes an electronic pharmacy claim
4 that successfully processes in real time with an approval of drug, dosing,
5 prescriber, or patient eligibility upon an electronic adjudication of a
6 pharmacy claim with the displayed paid amount from the pharmacy benefits
7 manager and the patient copay.

8 (C) "Clean claim" does not include a successfully
9 adjudicated pharmacy claim that the pharmacy or pharmacist obtained by fraud
10 or a clerical error or misrepresentation of the pharmacy claim elements;

11 (17) "Date of the receipt of a claim" means a claim that is
12 considered to have been received:

13 (A) For an electronic claim, on the date on which the
14 claim is transferred; or

15 (B) For other manual or paper claim, on the fifth day
16 after the postmark date of the claim or the date specified in the time stamp
17 of the transmission, whichever is sooner;

18 (18) "Material alteration to a contract" means a change to a
19 contract or addendum to a contract that shall be made explicitly and shall
20 not be made by reference through a pharmacy provider manual;

21 (19)(A) "Pharmacy benefits management services" means the
22 management or administration of a plan or program that:

23 (i) Pays or reimburses for a price and covers the
24 cost of prescription drugs and medical devices;

25 (ii) Includes the processing and payment of claims
26 for prescription drugs and the adjudication of appeals or grievances related
27 to the prescription drug benefit;

28 (iii) Includes electronic or manual processing and
29 payment of claims through the adjudication of prescription drug manufacturer
30 coupons or prescription drug manufacturer discounts; or

31 (iv) Includes prescription discount card services,
32 processing, electronic adjudication, or payment of claims for prescription
33 drugs by a discount card or discount card processor in situations in which a
34 vendor that otherwise identifies itself as a discount card vendor has been
35 subcontracted or contracted directly or indirectly by another licensed
36 pharmacy benefits manager or healthcare payor.

1 (B) "Pharmacy benefits management services" does not
2 include a prescription discount card service if the:

3 (i) Entire amount is paid by the patient, and the
4 individual pharmacy has directly contracted with the prescription discount
5 card service for each individual pharmacy and not through a pharmacy services
6 administrative organization or a leased pharmacy benefits manager network; or

7 (ii) Entire amount is paid by the patient, and the
8 discount card is an in-house pharmacy discount card;

9 (20)(A) "Pharmacy provider manual" means a document provided by
10 a pharmacy benefits manager to a pharmacist or pharmacy that may provide
11 contracted pharmacy providers with information about regulations,
12 administrative procedures, billing instructions, information on how to meet
13 the pharmacist's or pharmacy's contractual obligations, contact information,
14 audit information, maximum allowable cost appeals, pricing appeals, and other
15 details about various networks managed by the pharmacy benefits manager.

16 (B) "Pharmacy provider manual" does not include a material
17 alteration to a contract that shall be made explicitly in a contract or
18 addendum;

19 (21)(A) "Prescription drug manufacturer" or "pharmaceutical
20 manufacturer" means a business or entity that makes, processes, or packages
21 prescription drugs, over-the-counter medications, or medical devices to sell
22 in a pharmacy or other healthcare facility.

23 (B) "Prescription drug manufacturer" or "pharmaceutical
24 manufacturer" includes an entity that manipulates, tests, or controls the
25 product or process; and

26 (22) "Prescription drug manufacturer coupon" or "pharmaceutical
27 manufacturer coupon" means a prescription drug discount that is:

28 (A) Utilized to reduce the cost of prescription
29 medications in a pharmacy at the point of sale in the form of copayment
30 reduction, discount, e-voucher, electronic voucher, or a card to help a
31 consumer reduce the out-of-pocket costs, including without limitation a
32 copayment and coinsurance, or otherwise lower the overall cost of
33 prescription drugs; and

34 (B) Sponsored or provided by a prescription drug
35 manufacturer or pharmaceutical manufacturer usually through a vendor or an
36 electronic claims processor.

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2 SECTION 7. Arkansas Code Title 23, Chapter 92, Subchapter 5, is
3 amended to add additional sections to read as follows:

4 23-92-512. Pharmacy claims – Procedures.

5 (a) On and after January 1, 2026, a contract or a pharmacy provider
6 manual between a pharmacy benefits manager and a pharmacy or a pharmacist
7 shall be updated to indicate that the pharmacy benefits manager will issue,
8 mail, or otherwise transmit payment with respect to a clean claim submitted
9 by a pharmacy or a pharmacist:

10 (1) Seven (7) to fourteen (14) days after the date of the
11 receipt of a claim for an electronic claim; or

12 (2) Thirty (30) days after the date of the receipt of a claim
13 for any other paper or manually submitted claim.

14 (b)(1) A claim is a clean claim if the pharmacy benefits manager
15 receiving the claim does not provide notice to the submitting pharmacist or
16 pharmacy of any deficiency or error in the claim within:

17 (A) Ten (10) days after the date of the receipt of a claim
18 for an electronic claim; or

19 (B) Fifteen (15) days after the date of the receipt of a
20 claim for any other manual or paper claim.

21 (2)(A) If a pharmacy benefits manager determines that a
22 submitted claim is not a clean claim, the pharmacy benefits manager shall
23 notify the submitting pharmacy or pharmacist of the determination within the
24 period described under subdivision (b)(1) of this section.

25 (B) The notification required under subdivision (b)(2)(A)
26 of this section shall:

27 (i) Be submitted in writing or electronically by
28 email to the pharmacist or pharmacy to specify all defects, clerical errors,
29 or improprieties in the claim; and

30 (ii) List any additional information necessary for
31 the proper processing and payment of the claim.

32 (3)(A) After the additional information described in subdivision
33 (b)(2)(B)(ii) of this section is submitted by the network pharmacy, a claim
34 becomes a clean claim within ten (10) days if the pharmacy benefits manager
35 does not provide notice to the submitting network pharmacy of any remaining
36 defect or impropriety in the claim or of any new defect or impropriety in the

1 additional information submitted.

2 (B) A pharmacy benefits manager shall not provide notice
3 of a new deficiency or impropriety in the claim that could have been
4 identified by the pharmacy benefits manager in the original claim submission
5 under this subsection.

6 (c) A claim submitted to a pharmacy benefits manager that is not paid
7 by the pharmacy benefits manager within the time frame specified in
8 subdivision (a)(1) or subdivision (a)(2) of this section or is contested by
9 the pharmacy benefits manager within the time frame specified in subdivision
10 (b)(2) of this section shall be:

11 (1) Deemed to be a clean claim; and

12 (2) Paid by the pharmacy benefits manager according to
13 subsection (a) of this section.

14 (d) A payment of a clean claim under subdivision (c)(1) of this
15 section is considered to have been made on the date that:

16 (1) The payment is transferred, for an electronic claim; or

17 (2) The payment is submitted to the United States Postal Service
18 or common carrier for delivery, for any other claim.

19 (e)(1)(A) A pharmacy benefits manager shall pay a penalty of twelve
20 percent (12%) per month for a late payment of claims to the contracted
21 pharmacist or pharmacy.

22 (B) The penalty described under subdivision (e)(1)(A) of
23 this section begins the day after the required payment date and ends on the
24 date on which the proper payment for the clean claim is made.

25 (2)(A) As determined by the Insurance Commissioner, a pharmacy
26 benefits manager shall not be penalized or required to pay interest under
27 subdivision (e)(1) of this section in exigent circumstances that prevent the
28 timely processing of claims, including natural disasters and other unique and
29 unexpected events, unless it involves a cybersecurity breach or a data
30 security issue with the pharmacy benefits manager or healthcare payor.

31 (B) A cybersecurity breach or a data security issue
32 involving the pharmacy benefits manager or the healthcare payor that delays
33 payment to a pharmacist or a pharmacy is subject to interest payments.

34 (f)(1) A pharmacy benefits manager shall pay a clean claim submitted
35 electronically by an electronic transfer of funds if the submitting network
36 pharmacy so requests or has so requested previously that contract year.

1 (2) If the payment is made electronically, remittance may also
 2 be made electronically by the pharmacy benefits manager.

3 (g)(1) This section does not prohibit or limit a claim or action that
 4 an individual or organization has against a pharmacy, provider, or pharmacy
 5 benefits manager that is not covered by the subject matter of this section.

6 (2) A pharmacy benefits manager shall not retaliate against an
 7 individual, pharmacy, or provider for exercising a right of action under
 8 subdivision (g)(1) of this section, as consistent with applicable federal or
 9 state law.

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 11 23-92-513. Pharmaceutical manufacturers.

12 (a) A pharmaceutical manufacturer that utilizes a vendor, pharmacy
 13 benefits manager, or electronic claims processor to process prescription drug
 14 manufacturer coupons or pharmaceutical manufacturer coupons shall:

15 (1) Have an active wholesale distributor permit and be in good
 16 standing with the Arkansas State Board of Pharmacy under § 20-64-505; and

17 (2) Ensure that an intermediary, vendor, pharmacy benefits
 18 manager, or a claims processor complies with timely payment of a pharmacy
 19 claim as required under § 23-92-512.

20 (b)(1) The board shall require a pharmaceutical manufacturer to pay
 21 twelve percent (12%) interest per month directly to the affected pharmacy or
 22 pharmacist if the pharmaceutical manufacturer's vendor or intermediary does
 23 not resolve a complaint for a clean claim's being paid within:

24 (A) Fourteen (14) days after the date of the receipt of a
 25 claim for an electronic claim; or

26 (B) Thirty (30) days after the date of the receipt of a
 27 claim for any other paper or manually submitted claim.

28 (2) The penalty described under subdivision (b)(1) of this
 29 section begins the day after the required payment date and ends on the date
 30 on which the proper payment for the clean claim is made.

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 33 **APPROVED: 3/20/25**