

PURPOSE OF BILL: SB 104

To amend the Arkansas Pharmacy Benefits Manager Licensure Act; to protect patients' rights and access to medications; and to declare an emergency.

ACTUARIAL STATEMENT

The Fiscal Impact Statement was prepared according to generally accepted actuarial principles and practices, in compliance with ACT 112. The Statement provides an estimate of the financial and actuarial effect of the proposed change(s) on the Plans, if possible. The Statement makes no comment or opinion with regard to the merits of the measure for which the Statement is prepared; however, any identified technical or mechanical defects have been noted.

We have reviewed the input and results of our analysis for reasonableness and relied upon the data and information provided by the Plans and their Claims Processing Contractors.

A handwritten signature in black ink, appearing to read "Patrick Klein".

3/10/2025

Patrick Klein, FSA, MAAA
Vice President, Segal

Date

A handwritten signature in black ink, appearing to read "Matthew Kersting".

3/10/2025

Matthew Kersting, FSA, MAAA
Vice President, Segal

Date

PROJECTED COSTS

Plan	Plan Design Change	Estimated Cost/(Savings)
EBD	No Change	No Impact

PRICING APPROACH AND COMMENTS

Senate Bill 104 aims to regulate the business practices of healthcare payors and pharmacy benefit managers (PBMs) in Arkansas. It seeks to ensure adequate access to pharmacy services as intended by health plans, protect patients from unfair and deceptive trade practices, and ensure that PBMs do not interfere with patients' rights under their health plans.

The bill would prohibit unfair and deceptive trade practices by healthcare payors and PBMs, such as: requiring enrollees to use specific affiliates and restricting an enrollee's choice of pharmacy. Further, the bill would prohibit the misuse of enrollee information, including disclosing enrollee information for marketing purposes without consent. The bill would also require adherence to federal and state privacy laws and the timely processing of complaints and appeals.

The bill would prohibit the creation and maintenance of "ghost networks" and "carve-out networks" (as defined in the bill) -- both types of networks limit access to pharmacy services. By prohibiting these networks, it increases enrollee accessibility to pharmacies. This bill would also require Plans to provide accessible information about participating pharmacists and pharmacies and have that information easily accessible for enrollees.

The bill would prohibit the enforcement of the required use of specific affiliates without considering individual patient limitations. It would ensure that patients can obtain medications from their pharmacy of choice without added costs or penalties.

SB 104 would not have a financial impact on EBD. EBD utilizes the broadest Navitus network and the plan allows specialty to be filled at any pharmacy. Furthermore, Navitus confirmed they do not maintain "ghost" or "carve-out" networks prohibited by the bill.