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## REPORT FROM AID CONCERNING RULE 128: FAIR AND REASONABLE PHARMACY REIMBURSEMENTS

FROM: Jimmy Harris, Commissioner; Daniel Holland, Deputy Commissioner  
TO: Executive Committee & ALC  
DATE: March 13, 2026  
RE: Status Report on Implementation of Rule 128 & PBM Enforcement

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This is the March report, as required by ALC and the Executive Committee, which approved AID Rule 128: *Fair and Reasonable Pharmacy Reimbursements* (Rule 128). Pursuant to an oral motion in the Executive Committee, AID now offers this report on activities related to the implementation of Rule 128, recently initiated enforcement efforts, ongoing audits, and licensing activity related to pharmacy benefit managers (“PBM”).

### **I. Rule 128: Fair and Reasonable Reimbursement Rates**

The deadline for submission of the most recent round of Rule 128 reports was March 1, 2026. These reports contain data showing average pharmacy reimbursement rates for the second half of 2025, giving AID a full year of data following the passage of Rule 128. Moving forward, Rule 128 reports will be due annually on March 1st and contain the entirety of the prior year’s pharmacy reimbursement averages in relation to the national average drug acquisition cost (“NADAC”).

AID has received 4,092 Rule 128 reports to date. Of those 4,092 reports, the PBM Division has analyzed approximately 3,500 reports and placed each plan into three categories as explained below:

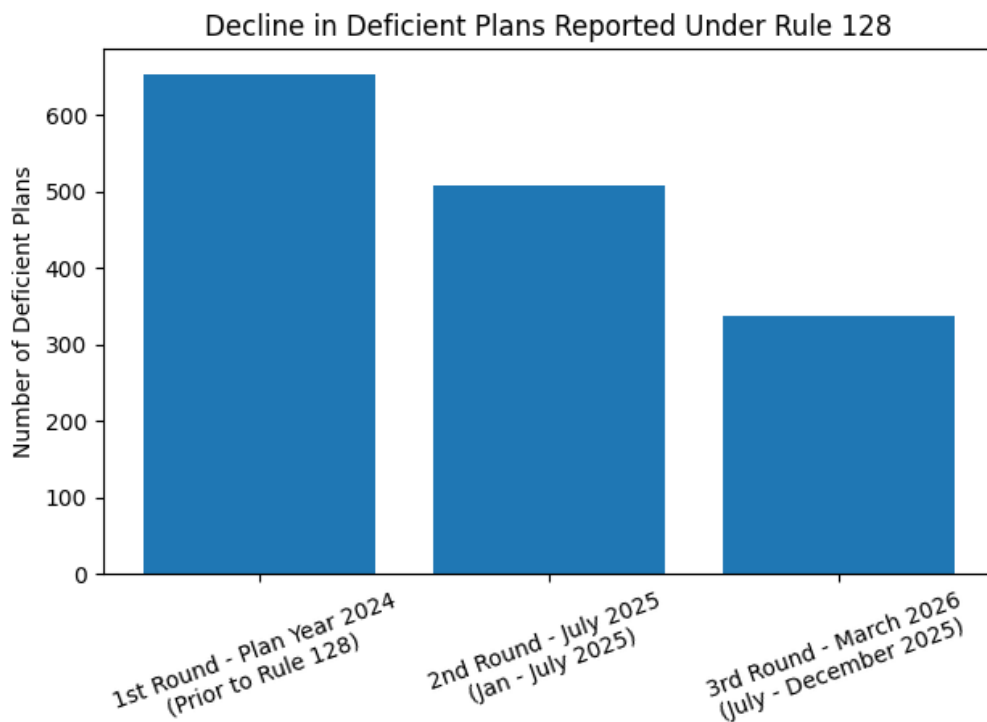
Category 1: NADAC Deficient Plans – these plans pay, on average, below the NADAC in violation of Ark. Code Ann. § 23-92-506(b)(5)(A).

Category 2: NADAC Compliant Plans – these plans pay, on average, at or slightly above the NADAC, but possibly below a fair and reasonable reimbursement rate.

Category 3: Fair and Reasonable Plans – these plans pay, on average, 200% above the NADAC.

### **A. Deficient Plans**

The number of Deficient Plans who pay, on average, below the NADAC has decreased by 48% between the first round of reporting in January 2025 and the latest round that was due in March of 2026. The averages reported by these plans show both a failure to reimburse at least the NADAC, and a failure to provide a fair and reasonable pharmacy compensation program pursuant to Rule 128.

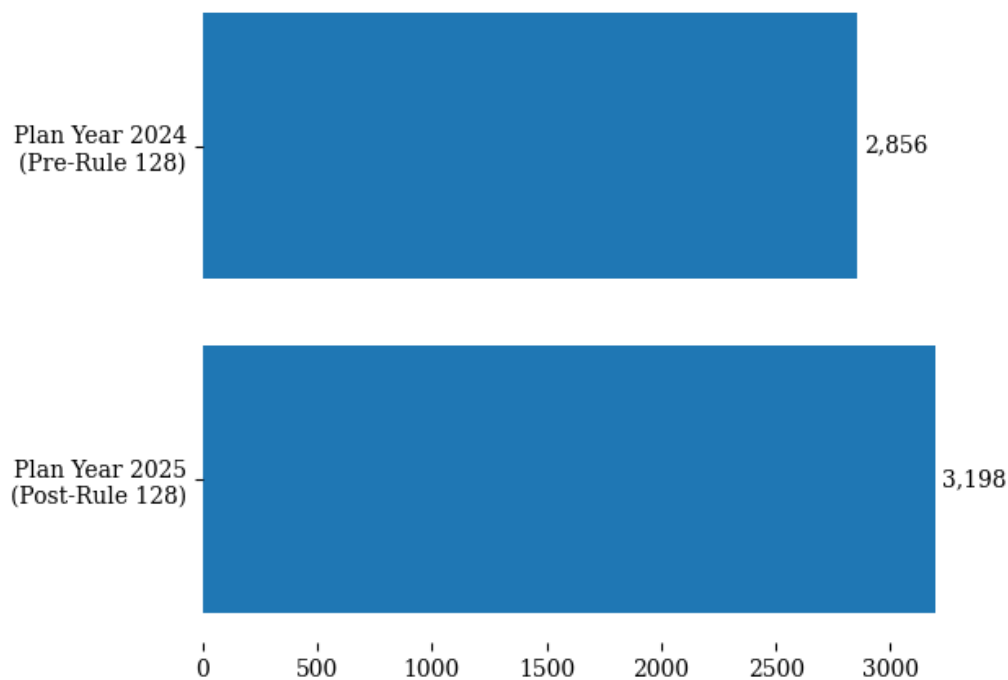


The overall decrease in the number of deficient plans is a positive signal that will make enforcement of Rule 128 more straightforward and effective. However, there is no valid reason why any plan/PBM should reimburse pharmacies below the NADAC. AID will identify these plans and their PBMs, then initiate enforcement actions for violations of Ark. Code Ann. § 23-92-506(b)(5)(A).

### **B. NADAC Compliant Plans**

This reporting cycle shows an increase in the number of NADAC Compliant Plans. For plan year 2024, AID found approximately 2,856 plans that reported average reimbursements above the NADAC. That number increased by 12% for plan year 2025 as shown below:

### Increase in NADAC Compliant Plans



### C. Fair and Reasonable Plans

The number of plans paying significantly above the NADAC decreased in this last round of reporting. For plan year 2024, there were 480 plans paying 200% above the NADAC. For plan year 2025, there were 326 plans paying 200% above the NADAC. This represents a decrease of approximately 32%.

As seen in other states who adopt a minimum reimbursement of NADAC, plans begin to lower their pharmacy reimbursement to account for the additional mandatory dispensing reimbursement required by law.

### D. Rule 128: Next Steps

AID and the PBM Division will continue to analyze the remaining Rule 128 reports that have been submitted, along with the reports from plans that were granted extensions to March 17th. This review will be completed by the end of March. Following this review, AID will first begin enforcement actions against plans and PBMs who continue to pay, on average, below the NADAC in violation of Arkansas law. Concurrently, AID and the PBM Division will continue to analyze the plans/PBMs that are failing to pay a fair and reasonable reimbursement rate above the NADAC.

## II. February PBM Enforcement Actions & Licensing

- A penalty of \$30,000 was assessed against CaremarkPCS Health for pharmacy reimbursements below the NADAC based on complaints submitted to AID. This penalty will be confirmed through consent order or public hearing.
- A penalty of \$30,000 was assessed against WellDyneRx, LLC for pharmacy reimbursements below the NADAC based on complaints submitted to AID. This penalty will be confirmed through consent order or public hearing.
- The PBM Division has discovered two (2) additional PBMs since last month's report who are operating in Arkansas without a license. AID has initiated enforcement actions against those PBMs.
- As previously reported, Navitus objected to providing certain data pursuant to the ongoing limited scope examination. A hearing date for this matter has been scheduled for April 28, 2026.