ARKANSAS INSURANCE DEPARTMENT

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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: October 16, 2026

RE: Status Report on Implementation of Rule 128 & PBM Enforcement

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This is the October 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

As previously reported, the Department identified health benefit plans whose average reimbursement to Arkansas pharmacies was below the national average drug acquisition cost ("NADAC"), along with health benefit plans who only slightly exceeded this average acquisition cost. The Department has sent Final Determinations under Rule 128 to 28 PBMs, who will then provide notice to the underlying health benefit plans of their obligation to pay the additional cost to dispense of $10.50 for generic drugs, which is aligned with the Arkansas Medicaid dispensing cost for generics.

As of the date of this report, the additional cost to dispense under Rule 128 has already been implemented on approximately 100 health benefit plans with more to follow. The PBM Division is currently awaiting signed Final Determinations from the remaining PBMs who are scheduled to acknowledge the Final Determination this month.

II. October PBM Enforcement Actions

- A penalty of $3,000 was entered against LucyRx Health Solutions, Inc., for reimbursements that were paid below the NADAC. Future violations will result in increased penalties.
- A penalty of $14,000 was entered against MedOne Pharmacy Benefit Solutions, L.L.C., for violations of Arkansas's Prompt Pay statute. Future violations will result in increased penalties.
- A penalty of $1,000 was entered against Smith Health, Inc., for reimbursements that were paid below the NADAC. Future violations will result in increased penalties.
- A penalty of $50,000 has been assessed against OptumRx, Inc., for reimbursements that were paid below the NADAC. Future violations will result in increased penalties.
- A penalty of $2,000 has been assessed against Prime Therapeutics for violations of Arkansas's Prompt Pay statute. Future violations will result in increased penalties.
- A penalty of $2,000 has been assessed against Caremark for violations of Arkansas's Prompt Pay statute. Future violations will result in increased penalties.
- A penalty of $44,000 has been assessed against Script Care, Ltd., for violations of the Arkansas Prompt Pay statute. Future violations will result in increased penalties.

III. October PBM Licensing Enforcement Actions

- A penalty for unlicensed PBM operations is pending against Ventegra Foundation.
- A penalty for unlicensed PBM operations is pending against PerformRx, L.L.C.
- A penalty for unlicensed PBM operations is pending against AffirmedRx.
- A penalty for unlicensed PBM operations is pending against RightRx FL, L.L.C.
- A penalty for unlicensed PBM operations is pending against VeracityRx, L.L.C., d/b/a DisclosedRx.
- A penalty for unlicensed PBM operations is pending against Vivio Health, Inc.

IV. Ongoing PBM Examinations

- An on-site market conduct examination was performed at Express Scripts' headquarters in St. Louis, Missouri from September 08, 2026, through September 16, 2026. This examination was the first of its kind for the state, as it was the first on-site market conduct examination of a PBM conducted by AID.
- The examinations for Caremark, Prime, and OptumRx are expected to be completed within the next four to six weeks. The Navitus examination is delayed due to pending litigation, and the Express Scripts review following the onsite examination will take additional time due to the amount of information now under review.