

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

A Bill

SENATE BILL 86

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

For An Act To Be Entitled

8
9 AN ACT TO AMEND THE PROHIBITION ON NONPROFIT, TAX
10 EXEMPT, OR GOVERNMENTALLY FUNDED HOSPITALS FROM
11 HOLDING A LICENSED PHARMACY PERMIT FOR THE SALE AT
12 RETAIL OF DRUGS; TO SET RESTRICTIONS ON PHARMACY
13 CONTRACTING AND CONFLICTS OF INTEREST; AND FOR OTHER
14 PURPOSES.
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Subtitle

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18 TO AMEND THE PROHIBITION ON NONPROFIT,
19 TAX EXEMPT, OR GOVERNMENTALLY FUNDED
20 HOSPITALS FROM HOLDING A LICENSED
21 PHARMACY PERMIT FOR THE SALE AT RETAIL
22 OF DRUGS.
23

24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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26 SECTION 1. Arkansas Code § 17-92-607 is amended to read as follows:

27 17-92-607. ~~Unlawful for hospital to hold licensed pharmacy permit—~~
28 ~~Exceptions~~ Hospital holding a retail pharmacy permit.

29 (a)(1) It shall be unlawful for ~~any nonprofit, tax exempt, or~~
30 ~~governmentally funded~~ a hospital to acquire direct or indirect interest in or
31 otherwise hold directly or indirectly ~~a~~ more than one (1) licensed pharmacy
32 permit pursuant to the provisions of § 17-92-405, for the sale at retail of
33 drugs and medicines.

34 (2) A healthcare organization licensed as a hospital may hold
35 one (1) retail pharmacy permit at each location licensed as a hospital.

36 ~~(b)(1) However, nothing contained in this section shall be construed~~



1 ~~to prohibit any hospital having a direct or indirect interest in or otherwise~~
2 ~~holding either directly or indirectly a permit before March 28, 1975, from~~
3 ~~continuing to have an interest in or holding the permit.~~

4 ~~(2) This section does not prohibit any hospital so holding a~~
5 ~~permit before March 28, 1975, from receiving a renewal of the permit.~~

6 ~~(3) This section does not prohibit dispensing drugs or~~
7 ~~medications through a hospital pharmacy continuity of care endorsement or to~~
8 ~~hospital employees and students.~~

9 (b)(1) A hospital that only provides inpatient services and emergency
10 medical care that has a minimum average daily inpatient census of twenty-four
11 (24) patients is eligible under subsection (a) of this section for a retail
12 pharmacy permit.

13 (2) A hospital that does not meet the description in subdivision
14 (b)(1) of this section is not eligible for a retail pharmacy permit under
15 § 17-92-405 for the sale at retail of drugs and medicines.

16 (c) A retail pharmacy permit for a hospital shall be:

17 (1) On the campus of the hospital that offers emergency medical
18 care services; and

19 (2) Within two hundred fifty yards (250 yds.) of the facility
20 that is licensed as a hospital.

21 (d) The retail pharmacy permit may be at the physical location of the
22 current hospital pharmacy.

23 (e) A hospital that has a retail pharmacy permit under this section
24 shall provide an option for access to emergency medications twenty-four (24)
25 hours per day and seven (7) days per week, according to organizational
26 policy.

27 (f) A hospital is not eligible to apply for a retail pharmacy permit
28 if an existing retail pharmacy:

29 (1) Is currently located on a hospital's physical campus or
30 within two hundred fifty yards (250 yds.) of the hospital's physical campus;
31 and

32 (2) Provides an option for access to emergency
33 medications twenty-four (24) hours per day and seven (7) days per week,
34 according to the pharmacy's organizational policy.

35 (g) This section does not apply to a hospital that is located out of
36 this state.

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2 SECTION 2. Arkansas Code Title 17, Chapter 92, Subchapter 4, is
3 amended to add an additional section to read as follows:

4 17-92-414. Prohibition of pharmacy contracting - Conflicts of interest
5 - Pharmacy permit holder responsibilities.

6 (a) As used in this section, "parent entity" means a person, company,
7 or other entity that has a direct or indirect interest or ownership in a
8 licensed pharmacy permit for the sale at retail of drugs and medicines.

9 (b) A holder of a pharmacy permit for the sale at retail of drugs and
10 medicines shall not enter into a contract with a parent entity that does any
11 of the following:

12 (1) Financially incentivizes a patient or plan beneficiaries to
13 obtain a pharmacist's services from the pharmacy with terms that are not
14 offered equally at other network pharmacies;

15 (2) Provides the pharmacy a reimbursement amount that is higher
16 than rates paid to other pharmacies in the state;

17 (3) Allows the pharmacy to be a limited provider of pharmacist's
18 services through the use of a network design that limits the number of
19 providers in said network;

20 (4) Limits a patient's freedom of choice through financial
21 incentives; or

22 (5) Does any other activity that is deemed to create an
23 anticompetitive advantage or interferes with patient freedom of choice as
24 determined by the Arkansas State Board of Pharmacy.

25 (c)(1) Upon receiving a complaint involving a violation of subsection
26 (b) of this section, the board shall investigate the complaint and schedule a
27 hearing within thirty (30) business days.

28 (2) Upon a finding of fact by the board that a violation
29 of this section has occurred, the board shall immediately terminate the
30 pharmacy permit of the entity that perpetrated the violation.

31 (d) A violation of this section is also a violation of the Unfair
32 Practices Act, § 4-75-201 et seq.

33 (e) Market-based cash pricing of a drug or medication is not a
34 financial incentive under this section.

35 (f) An entity that owns pharmacies and offers prospective cash savings
36 plans through the 340B Drug Pricing Program shall allow other network

1 pharmacies to participate in the prospective cash savings plan.

2 (g) The board shall review for any violation of this section during
3 the inspections conducted by the board.

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