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For Immediate Release
February 9, 2018
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NCOIL TO DISCUSS POTENTIAL REGULATION OF PHARMACY BENEFIT MANAGERS (PBMs)

Need for Model Law to Ensure Consumers Are Protected

Manasquan, NJ – Arkansas Senator Jason Rapert, NCOIL President, announced that the NCOIL Health, Long-Term Care and Health Retirement Issues Committee will be taking a comprehensive look at Pharmacy Benefit Managers (PBMs) at the 2018 NCOIL Spring Meeting in Atlanta, Georgia from March 2nd – 4th with the goal of learning about how PBMs operate and potentially introducing an NCOIL Model Act to have PBMs overseen by state insurance commissioners. PBMs are third-party administrators of prescription drug programs for government programs and self-insured entities.

“I have heard from pharmacists and pharmacy owners in Arkansas and across the country that PBMs reimburse them less than their cost for the medicine, while the PBMs receive far more from the drug companies,” said Rapert, “the time is now to examine the business model of PBMs” he continued.

Confirmed organizations contributing comments include National Community Pharmacists Association, Pharmaceutical Care Management Association, Arkansas Pharmacists Association and America's Health Insurance Plans. Additional organizations will be added before the committee convenes.

“NCOIL will examine all aspects of PBMs to educate legislators” said Commissioner Tom Considine, NCOIL CEO. “If a model law is necessary to ensure proper oversight and consumer protections we will draft and debate it through 2018, but will move expeditiously; not drag this process out indefinitely.”

“PBMs operate outside of typical insurance oversight and it appears that their customers are not receiving benefits to which they are entitled, and the PBM industry threatens the very business model of the local community pharmacy,” concluded Rapert.

The Health Committee is scheduled to meet at 8:45 a.m. on Sunday, March 4th at the Whitley Hotel in Buckhead. Registration and hotel information can be found at www.ncoil.org/register-now.

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NCOIL is a legislative organization comprised principally of legislators serving on state insurance and financial institutions committees around the nation. NCOIL writes Model Laws in insurance, works to both preserve the state jurisdiction over insurance as established by the McCarran-Ferguson Act seventy years ago and to serve as an educational forum for public policy makers and interested parties. Founded in 1969, NCOIL works to assert the prerogative of legislators in making state policy when it comes to insurance and educate state legislators on current and perennial insurance issues.



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