

July 12, 2018

Assem. Kevin Cahill
Chair, Health, Long-Term Care & Health Retirement Issues Committee
National Council of Insurance Legislators

RE: RECOMMENDATION FOR THE “PHARMACY BENEFITS MANAGER LICENSURE AND REGULATION MODEL ACT”

Dear Chair Cahill,

I am writing on behalf of the National Community Pharmacists Association to supplement our previous comments submitted on June 7, 2018. In those comments, NCPA voiced support for the Model Act and made several recommendations that would improve the act and put state insurance commissioners in a better position to regulate pharmacy benefits managers (PBMs). NCPA continues to support the bill and would like to add the following recommendations:

Section 12. Maximum Allowable Cost Lists

Recommendation #1: Require a PBM to provide its MAC list in an .xml spreadsheet format or a comparable easily accessible and complete spreadsheet format.¹ This will ensure that pharmacies can access this information in a usable, searchable format.

Recommendation #2: Require a PBM, pursuant to an upheld MAC appeal, to adjust the MAC price and reimburse the pharmacy without requiring the pharmacy to reverse and rebill the claim in question.² After an appeal, the PBM has all of the necessary information to reimburse the claim in the proper amount, and requiring the pharmacy to reverse and rebill the claim is unnecessary. Additionally, requiring a pharmacy to reverse and rebill a claim places unnecessary burdens on the pharmacy, because it further delays proper reimbursement and subjects the pharmacy to additional transaction fees imposed by a PBM.

Recommendation #3: Permit a pharmacy services administrative organization (PSAO) to file a MAC appeal on behalf of a pharmacy.³ Pharmacies frequently contract with PBMs through PSAOs, which help pharmacies achieve administrative and payment efficiencies. Because PSAOs sign network contracts with PBMs on behalf of pharmacies, a PSAO should have the authority to file an appeal to resolve a dispute with the PBM over that contract, thus allowing the pharmacy to focus on providing care to patients.

¹ Section (12)(b)(1).

² Section (12)(b)(4)(C)(i)(b).

³ Section (12)(b)(4).

We commend NCOIL's efforts to promote, preserve, and protect the public health, safety, and welfare by establishing common sense standards and criteria for the regulation and licensure of PBMs. We thank the committee for the opportunity to provide these comments.

If you have any questions about the information contained in this letter or wish to discuss the issue in greater detail, please do not hesitate to contact me at matthew.magner@ncpanet.org or (703) 600-1186.

Sincerely,

A handwritten signature in cursive script that reads "Matthew Magner".

Matthew Magner
Director, State Government Affairs