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SECRETARY OF COMMERCE

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INSURANCE COMMISSIONER,
ARKANSAS INSURANCE
DEPARTMENT

MARCH 9, 2022

BULLETIN NO. 5-2022

TO: PHARMACY BENEFIT MANAGERS AND OTHER INTERESTED PARTIES

FROM: ARKANSAS INSURANCE DEPARTMENT

SUBJECT: BULK APPEALS AND INVOICE COSTS IN MAC APPEALS

The Arkansas Insurance Department issues this Bulletin to all licensed pharmacy benefits managers (“PBMs”) conducting business in this State. The Department has received several complaints from pharmacies and pharmacy services organization (“PSAOs”) that are unable to submit multiple or in bulk “Maximum Allowable Cost” appeals with PBMs. The Commissioner refers the PBMs to Ark Code Ann. §17-92-17-92-507(c)(4)(A)(i) in the MAC law which requires a reasonable MAC appeals system to provide appeals for a drug or “*drugs*” (emphasis added) and pharmacy benefit plan. The Commissioner therefore interprets the above provisions to require the PBM to accommodate for the submission by a pharmacy of appeals of multiple drugs in bulk, or “batched.”

This accommodation will: 1) reduce the burdensome, time consuming, and laborious requirements on pharmacies that must file one MAC claim at a time in portals; and, 2) help reduce post MAC appeals later flowing to the Department which, following such appeals, typically submits multiple claims in the aggregate per pharmacy for regulatory responses.

In addition, the Commissioner further requests the PBM industry to allow for pharmacy uploads or transmission to the PBM of invoice cost in the MAC appeals systems to help reduce complaints later at the Department.

The Commissioner is aware that the electronic MAC appeals systems and portals may not be easily and technologically changed in immediate response to this Bulletin, however the above actions are needed to reduce pharmacy and Department resource costs in processing MAC appeals. The Commissioner requests all licensed PBMs to permit bulk MAC appeals and to permit uploading or transmission of pharmacy invoices no later than June 1 of this year. After this date, if these processes are not permitted, the Commissioner takes the position that the PBM is not providing a reasonable appeal mechanism under the MAC law.

For inquiries related to this Bulletin, please contact Booth Rand, Managing Attorney at the Department, at booth.rand@arkansas.gov.

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3-9-22

DATE