July 15, 2020

The Honorable Andrew R. Stolfi  
Chairman – Chair PBM Regulatory Issues (B) Subgroup  
Members of the PBM Regulatory Issues (B) Subgroup  

Delivered via email to Jolie Matthews @ jmatthews@naic.org  

Re: Proposed Draft of the Pharmacy Benefit Manager and Regulation Model Act  

Dear Chairman Stolfi and Members of the Committee:

Thank you for the opportunity to review the proposed Pharmacy Benefit Manager Licensure and Regulation Model Act (Model) prior to the Subgroup meeting this week. PCMA looks forward to providing specific comments if the Model is formally exposed.

PCMA is the national trade association representing America’s pharmacy benefit managers ("PBMs"), which administer prescription drug plans for more than 266 million Americans with health coverage provided through Fortune 500 employers, health insurance plans, labor unions, state employee and retiree plans, and Medicare Part D plans.

We are prepared to work with the PBM Regulatory Issues (B) Subgroup on a PBM licensure model that would meet the NAIC requirement for adoption in a majority of states. This Model, as currently drafted does not meet that requirement. This draft goes well beyond a licensure proposal and includes highly controversial language in Section 8, Regulations, as well as Section 6, Gag Clauses.

- The lack of specificity in Section 8 does not meet most state legislative requirements, does not reflect the careful deliberative process of the NAIC nor the purpose of a model act.
- Section 6 goes well beyond the federal gag clause mandate and is a considerable departure from what many states have already adopted.

We appreciate your consideration of our concerns and look forward to a continued dialog.

Sincerely,

Lauren Rowley  
Senior Vice President, State Affairs

cc Jolie Matthews, Senior Health and Life Policy Counsel