



601 Pennsylvania Avenue, NW T 202.778.3200  
South Building, Suite 500 F 202.331.7487  
Washington, D.C. 20004 ahip.org

April 19, 2024

Commissioner Glen Mulready  
Chair, Regulatory Framework (B) Task Force  
National Association of Insurance Commissioners  
444 North Capitol Street NW, Suite 700  
Washington, DC 20001-1512  
Forwarded via email: Jolie H. Matthews

RE: Comments on Proposed Charges

Dear Commissioner Mulready,

AHIP greatly appreciates the opportunity to submit our comments on the proposed 2024 charges for the PBM Regulatory Issues (B) Subgroup. While the NAIC White Paper was completed in 2023, we understand there may be additional questions remaining on the complex topic of drug pricing, and the Subgroup's charges need to adapt to meet that need. AHIP's recommendations are made with that in mind.

AHIP has redlined the proposed charges and provided explanations for our recommendations below.

The **Pharmaceutical Benefit Management Regulatory Issues (B) Subgroup Working Group** will:

- A. Serve as a forum to educate state insurance regulators on issues related to pharmacy benefit manager (PBM), **drug manufacturer, pharmacy services administrator organizations (PSAOs), and other drug supply chain entities** ~~regulation and other stakeholders~~ in the prescription drug ecosystem.
- B. Gather and share information, best practices, experience, and data to inform and support dialogue and information-sharing among state insurance regulators on issues related to PBM, **drug manufacturer, PSAOs, and other drug supply chain entity** regulation, such as examinations and contracting, and pharmaceutical drug pricing and transparency.
- ~~C. Review and consider any necessary updates to the *Health Carrier Prescription Drug Benefit Management Model Act* (#22) out of the emergence of greater regulation in the prescription drug ecosystem.~~
- D. Maintain a current listing of PBM **drug manufacturer, PSAOs, and other drug supply chain entity** laws and regulations and case law for reference by state insurance regulators.
- E. Disseminate materials and reports, via the NAIC, to the states and the U.S. territories wishing to use the information gathered by the ~~Working Group~~ **Subgroup**.
- F. Monitor, facilitate and coordinate with the states and federal agencies regarding compliance and enforcement efforts regarding PBM, **drug manufacturer, PSAOs, and other drug supply chain entities**.

#### **AHIP Recommendations:**

- AHIP recommends the *Subgroup* remain a *Subgroup* and not change to a *Working Group*. *Working Group* implies this will be a long-term commitment, instead of gathering relevant information, completing the task, and ending the Subgroup within the next couple of years.
- AHIP recommends listing the supply chain entities, including drug manufacturers and PSAOs, rather than a less prescriptive 'stakeholders'. This more descriptive listing will prompt Subgroup members to consider the various entities and potential topics to discuss for further education.

- We removed the term 'regulation' to provide a broader scope as the Subgroup often discusses new laws or studies that are beyond 'regulations'.
- AHIP recommends the charge to review and consider revisions to Model #22 be eliminated. On July 18, 2019, the Subgroup discussed the decision by the Regulatory Framework (B) Task Force to **not** open any Models for review, including Model #22 and instead, draft a new model. Since that decision, the adoption of an NAIC PBM licensure model failed. That history, coupled with varied state perspectives that still exist, means that a different result is unlikely. To that end, AHIP respectfully requests this language be eliminated. It is important to note the removal of the language does not preclude the Subgroup from discussing Model #22; the deletion merely eliminates the requirement for the Subgroup to review the model.

AHIP appreciates the continued open dialogue on high price drugs and encourages the inclusion of our recommendations to remain focused on the entire drug supply chain, and not a singular view of just one entity. This is important to ensure broad knowledge of the issue by Subgroup members so they can implement impactful reform and relief to individuals, families, employers, and taxpayers. For further information or continued dialogue, please contact me at [khathaway@ahip.org](mailto:khathaway@ahip.org) or 202.870.4468. Thank you very much for your consideration.

Sincerely,



Kris Hathaway  
Vice President, State Affairs  
AHIP

---

**America's Health Insurance (AHIP)** is the national association whose members provide health care coverage, services, and solutions to hundreds of millions of Americans every day. We are committed to market-based solutions and public-private partnerships that make health care better and coverage more affordable and accessible for everyone. Visit [www.ahip.org](http://www.ahip.org) to learn how working together, we are Guiding Greater Health.