



Commissioner Glen Mulready
 Chair, Regulatory Framework (B) Task Force
 National Association of Insurance Commissioners
 444 North Capitol Street NW, Suite 701
 Washington, D.C. 20001

April 19, 2024

Re: Comments on the 2024 Draft Proposed Revised Charges for the Pharmacy Benefit Manager Regulatory Issues (B) Subgroup from the Healthcare Distribution Alliance (HDA)

Chairman Mulready and Members of the NAIC Regulatory Framework (B) Task Force:

On behalf of the Healthcare Distribution Alliance (HDA), I want to express our gratitude to you and members of the Regulatory Framework (B) Task Force for the continued review of feedback from all stakeholders regarding the proposed charges for the successor group to the Pharmacy Benefit Manager Regulatory Issues (B) Subgroup. Pointedly, HDA feels the 2024 Proposed Revised Charges, copied below for reference, provide for a thoughtful approach to further the work of both the Subgroup and the Pharmaceutical Benefit Management Regulatory Issues (B) Working Group.

- The ~~Pharmacy Benefit Manager Regulatory Issues (B) Subgroup~~ **Pharmaceutical Benefit Management Regulatory Issues (B) Working Group** will:
- ~~A. Develop a white paper to: 1) analyze and assess the role pharmacy benefit managers (PBMs), pharmacy services administrative organizations (PSAOs), and other supply chain entities play in the provision of prescription drug benefits; 2) identify, examine, and describe current and emerging state regulatory approaches to PBM business practices, such as price transparency and reporting requirements, rebating, and spread pricing, including the implications of the *Rutledge v. Pharmaceutical Care Management Association (PCMA)* decision on such business practices; and 3) discuss any challenges, if any, the states have encountered in implementing such laws and/or regulations.~~
 - ~~B. Consider developing a new NAIC model to establish a licensing or registration process for PBMs. Based on issues identified in the white paper, the Subgroup may consider including in the new NAIC model provisions on PBM prescription drug pricing and cost transparency.~~
 - ~~A. Serve as a forum to educate state insurance regulators on issues related to pharmacy benefit manager (PBM) 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 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 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.~~
 - ~~F. Monitor, facilitate and coordinate with the states and federal agencies regarding compliance and enforcement efforts regarding PBMs.~~

Under the leadership of Chairman Keen, members of the Subgroup worked diligently over the course of more than two years to complete the PBM White Paper, “A Guide to Understanding Pharmacy Benefit Manager and Associated Stakeholder Regulation.” Throughout the process, the Subgroup invited substantial input from stakeholders (including HDA pertaining to pharmaceutical distributors and pharmacy services administrative organizations).

As the landscape surrounding PBM practices continues to evolve, the proposed revised charges offer an opportunity to continue the work of the Subgroup by referencing the adopted white paper, seeking feedback from states, reviewing previous stakeholder input and, if necessary, inviting additional engagement from supply chain members to provide insight into evolving PBM practices.

HDA humbly supports the 2024 proposed revised charges to create the PBM Regulatory Issues (B) Working Group and stands ready to be a resource for the Working Group as necessary.

Thank you for your time. If you have any questions, I can be reached at wdane@hda.org or (571) 287-3020.

Best,



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