



Healthcare Distribution Alliance

PATIENTS MOVE US.

National Association of Insurance Commissioners  
The Honorable Sharon Clark, Chair  
The Honorable Glen Mulready, Vice Chair  
Regulatory Framework (B) Task Force of the Health Insurance & Managed Care (B) Committee  
444 North Capitol Street NW, Suite 701  
Washington, D.C. 20001

September 15, 2023

*Attention: Jolie Matthews*

Re: Draft PBM White Paper | Summary of Healthcare Distribution Alliance (HDA) Comments

Chair Clark, Vice Chair Mulready, and Honorable Members of the NAIC Regulatory Framework (B) Task Force of the Health Insurance & Managed Care (B) Committee:

As always, the Healthcare Distribution Alliance (HDA) appreciates the opportunity to engage as a stakeholder and applauds the longstanding work of the PBM Regulatory Issues (B) Subgroup in finalizing a draft white paper. As requested by Chair Clark, we have consolidated our comments pertaining to the draft into the points below. Our June 1 and July 27 comment letters remain available on the PBM Regulatory Issues (B) Subgroup Document webpage, as well.

1. Page Nine, Section F – Remove Wholesalers from the Definition of Pharmacy Services Administrative Organizations (PSAOs)
  - HDA respectfully requests the removal of wholesalers from the definition of PSAOs to ensure the accuracy of the white paper.
  - Pharmacy Services Administrative Organizations evaluate and execute contracts with PBMs, yet PSAOs do **not** evaluate and execute contracts with wholesalers. Notably, the draft white paper cites pages 34 and 41 of the U.S. Senate Committee of Finance’s 2018 Report entitled “[A Tangled Web](#)<sup>29</sup>” as a reference for the description of PSAOs which neglects to mention wholesalers.
2. Page Eleven, Section H (Pharmacy Benefit Management Claim, PBM & PSAOs) – Clarify Reimbursement Rate Negotiation
  - Reimbursement rates are set on a percentage **discount off** (minus) average wholesale price (AWP). Specialty drugs may be listed in an addendum specific to an individual drug and thus not always applicable to *all* drugs as stated in the draft.

As always, we are happy to answer any questions or provide information to ensure accuracy in the final document. Please reach out to Will Dane at [wdane@hda.org](mailto:wdane@hda.org) or (571) 287-3020 with any questions.

Thank you,

Will Dane  
Director, State Government Affairs  
Healthcare Distribution Alliance

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<sup>29</sup> “A Tangled Web”, at p. 34, 41.