



Sharon P. Clark, Kentucky, Chair  
Glen Mulready, Oklahoma, Vice Chair  
Regulatory Framework (B) Task Force of the Health Insurance and Managed Care (B) Committee  
National Association of Insurance Commissioners  
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Washington, DC 20001

Submitted via email to Jolie H. Matthews at [jmatthews@naic.org](mailto:jmatthews@naic.org)

**RE: Pharmacy Benefit Manager White Paper**

Chair Clark and Vice Chair Mulready,

On behalf of our member pharmacies, NACDS extends our sincere appreciation for another opportunity to weigh in on the important work being undertaken by the PBM Regulatory Issues Subgroup through the adoption of its PBM white paper. NACDS has been engaged in each step of this process and we continue to express our strong support of any efforts which encourage greater transparency of PBM practices. As instructed by Commissioner Clark, we have included a brief list of items below we feel are still either missing from the report or could be strengthened:

- Page 4 – could add effects of vertical integration to Insurer section (not mentioned until page 19)
- Page 7 – chain pharmacy definition – add “typically with 4 or more stores”
- Page 9 – group purchasing organizations (GPOs) not mentioned
- Page 11 – important to note the parties in this agreement don’t know what is billed or paid – PBMs only one who knows
- Page 11 – again mention vertical integration and related enforcement
- Page 16 – could address exclusion formularies
- Page 17 – no mention of below-cost reimbursement practices which threaten pharmacy viability
- Page 17 – address transparency & GPOs on rebates
- Page 25 – Texas reports rebates publicly as one number but also disclose how many PBMs reported. They report total, amount back to patients, amount back to plan and amount kept by PBM (could be a model for rebate reporting)
- Page 26 – more comprehensive list of recent PBM reform legislation – what states are missing?
- Page 36 – would like PBM-specific model compliance (complaint reporting by pharmacies or consumers)

We stand ready to assist NAIC should there be interest in adopting any of these suggestions. Feel free to contact Sandra Guckian, VP of State Pharmacy and Advocacy, for questions or further discussion at [sguckian@nacds.org](mailto:sguckian@nacds.org).

Sincerely,

Steven C. Anderson, FASAE, CAE, IOM  
President and Chief Executive Officer  
National Association of Chain Drug Stores  
CC: Regulatory Framework (B) Task Force Members