Draft: 3/30/26

Pharmacy Benefit Management (D) Working Group
San Diego, California
March 23, 2026

The Pharmacy Benefit Management (D) Working Group of the Market Regulation and Consumer Affairs (D) Committee met in San Diego, CA, March 23, 2026. The following Working Group members participated: Joylynn Fix, Chair, and Allan L. McVey (WV); Marcus Wilson, Vice Chair, represented by Sebastian Arduengo (VT); Kayla Erickson and Molly Nollette (AK); Kelli Littlejohn Newman (AL); Maria Ailor and Tolanda McNeal (AZ); Sophie Thomas and Lila Cummings (CO); Kurt Swan (CT); Susan Jennette (DE); Samantha Heyn and Sheryl Parker (FL); Paula Shamburger (GA); Andria Seip (IA); Dean L. Cameron and Shannon Hohl (ID); Jack Engle and Ryan Gillespie (IL); Grant Lindman (IN); Craig Van Aalst (KS); Shaun Orme (KY); Frank Opelka (LA); Mary Lou Moran (MA); Joe Stoddard (MI); T.J. Patton and Norman Barrett (MN); David Dachs (MT); Robert Croom (NC); John Arnold and Tahmidur Rahman (ND); Cheryl Wolff, Martin Swanson, Maggie Reinert, and Michael Muldoon (NE); Ralph Boeckman (NJ); Jonathan Wycoff (NV); Carole Ann Kinnaw (NY); Kristin Cly (OH); Ashley Scott (OK); Keith Turner and Colette Hittner (OR); Lindsi Swartz (PA); Tara Nixon (SC); Jud Jones (TN); Tanji J. Northrup (UT); Stephen Hogge (VA); Sandy Ray (WA); Lori Luder and Coral Manning (WI); and Lauren White and Jill Reinking (WY).

1. Adopted its Feb. 5, 2026, and 2025 Fall National Meeting Minutes

The Working Group met Feb. 5, 2026. During this meeting, the Working Group took the following action: 1) heard a presentation from the Pharmaceutical Research and Manufacturers of America (PhRMA) on the 340B Drug Pricing Program and anticipated changes beginning Jan. 1, 2026.

Cameron made a motion, seconded by Jennette, to adopt the Working Group's Feb. 5, 2026 (Attachment ?-A), and Dec. 9, 2025, minutes (*see NAIC Proceedings – Fall 2025, Market Regulation and Consumer Affairs (D) Committee, Attachment Five*). The motion passed unanimously.

2. Heard a Discussion on the Impact of the Recently Enacted Federal PBM Legislation and the Recent FTC Settlement on State PBM Laws

Allison Shields (NAIC) updated the Working Group on the recently enacted federal pharmacy benefit manager (PBM) legislation and the Federal Trade Commission (FTC) settlement. She said that on Feb. 4, the FTC announced a settlement with Express Scripts to resolve its lawsuit alleging that Express Scripts and its affiliated entities artificially inflated the list price of insulin drugs by using anticompetitive and unfair rebating practices, and impaired patients' access to lower list price products, ultimately shifting the cost of high insulin list prices to vulnerable patients. The settlement requires Express Scripts and its affiliated entities to adopt fundamental changes to their business practices that increase transparency and end business practices that have kept drug prices high. Shields detailed key provisions in the settlement order, which Express Scripts and its affiliated entities must make by Jan. 1, 2028, or as soon as "commercially feasible." She noted that it is anticipated the FTC could reach similar settlements with OptumRx and CVS Caremark in the coming months.

Shields next discussed the recently enacted federal PBM legislation. She said that as part of the Consolidated Appropriations Act of 2026 (CAA), on Feb. 3, U.S. Congress (Congress) passed a package of PBM reforms. Shields said the reforms center on rebate pass-through, increased transparency, standardized reporting, and expanded federal oversight. For the commercial market, both fully insured and self-insured group plans, the changes are

 

effective for plan years after August 2028. She said the changes for the Medicare Part D plans mirror the law's requirements for the commercial market, except for provisions to strengthen the "any willing pharmacy" provisions. The changes for the Medicare Part D plans are effective beginning Jan. 1, 2028.

Shields said that with respect to any impact on state PBM laws, generally, because states already have PBM laws involving certain areas included in the federal law, such as rebating, spread pricing, network adequacy, and other transparency provisions, there could be the need for harmonizing and working with the federal agencies charged with implementing the federal law, particularly for those states that license PBMs, to ensure that the state can continue to enforce its laws.

Fix asked Shields to keep the Working Group informed as the federal agencies responsible for implementing the PBM reform provisions begin their rulemaking process.

3. Heard an Update on Necessary Changes to SBS to Better Handle PBM Complaints

Jennette provided an update on the work to develop changes to State Based Systems (SBS) to better handle PBM complaints. She said the small group of states she is working with to make these changes has continued to meet with the SBS team every few weeks. The next meeting is scheduled for April 1. Jennette said the online complaint form has been completed, and related work is ongoing and should be ready to turn over to the programmers. She noted that throughout the process, she has received input and feedback from industry and different states. Jennette said the SBS PBM complaint module remains on track for completion by the end of the year.

4. Discussed the Revised Draft PBM Examination Chapter

Fix said that on Nov. 25, 2025, the Working Group exposed an initial draft of a PBM examination chapter for a public comment period ending Jan. 16, 2026. She said the Working Group met Feb. 5 to discuss the comments received. Following that meeting, the Working Group's Pharmacy Benefit Manager Examination Chapter Drafting Group met to discuss what revisions to make to the initial draft based on the comments received. Based on the Drafting Group's recommended revisions, the Working Group distributed a revised draft of the PBM examination chapter on March 13.

Fix asked Working Group members if they had any comments on the revised draft. Newman said she submitted comments on behalf of the Alabama Department of Insurance (DOI) on the revised draft suggesting additional changes, including: 1) adding definitions for independent pharmacy, chain pharmacy, and 340B pharmacy because many state laws define reimbursement to independent pharmacies and chain pharmacies separately; 2) adding more detailed language to allow examiners to better determine if manufacturer rebates are being passed through appropriately; 3) adding "federal" to many of the standards sections when "state" laws are referenced due to recent and most likely continued enactment of federal PBM laws; and 4) adding additional language to the utilization review standards concerning artificial intelligence (AI). Fix asked if any interested regulators had any comments. None did, so Fix asked for comments from interested parties.

Carl Schmid (HIV+Hepatitis Policy Institute), speaking on behalf of the NAIC consumer representatives, expressed support for the revised draft. He also expressed support for some of the Alabama DOI's suggested revisions to the draft, particularly those related to AI and copay assistance programs.

Christine Cappiello (Anthem Blue Cross and Blue Shield), speaking on behalf of the Coalition, which includes the Cigna Group, CVS Health, Elevance Health, UnitedHealth Group (UHG), and Examination Resources, said the

Coalition appreciates the changes made from the initial draft, but it still has concerns. She said the Coalition looks forward to continuing to work with the Working Group to fine-tune the draft. Newman said she had reviewed the comments received on the initial draft and, with respect to the Coalition's comments, had a question about its comment stating the draft would burden examiners. She asked how the draft would burden the states that contract with third parties, given that they are used to handling the level of examination complexity envisioned in the draft. Newman also questioned the Coalition's concerns about having to submit unredacted documents. She said examiners need such documents to properly conduct an examination. Newman said the Working Group could address this concern by including stronger confidentiality language in the draft. Seip agreed with Newman's comments concerning the need for unredacted documents.

Fix asked the Working Group whether it was ready to move forward to refer the revised draft to the Market Conduct Examination Guidelines (D) Working Group for its consideration. Seip said she would welcome additional time to review the Alabama DOI's comments before referring the draft to the Market Conduct Examination Guidelines (D) Working Group. Opelka, Wolff, and Hohl agreed with Seip's comments to hold the draft for additional Drafting Group discussion and possible revision. Fix said she would schedule a Drafting Group meeting within the next few weeks to discuss the Alabama DOI's comments and determine any additional revisions to the draft based on those comments. She said the Working Group remains on track to complete its work and refer the draft to the Market Conduct Examination Guidelines (D) Working Group for its consideration prior to the Summer National Meeting.

Having no further business, the Pharmacy Benefit Management (D) Working Group adjourned.

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