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Pharmacy Benefit Management (D) Working Group
Minneapolis, Minnesota
August 11, 2025

The Pharmacy Benefit Management (D) Working Group of the Market Regulation and Consumer Affairs (D) Committee met in Minneapolis, MN, Aug. 11, 2025. The following Working Group members participated: Joylynn Fix, Chair, and Allan L. McVey (WV); Susan Jennette, Co-Vice Chair (DE); Ashley Scott, Co-Vice Chair (OK); Sarah S. Bailey (AK); Erica Bowsher (AZ); Kurt Swan (CT); Sheryl Parker (FL); Paula Shamburger (GA); Andria Seip (IA); Shannon Hohl (ID); Matthew Pickett (IL); Grant Lindman (IN); Isaac Henson and Kenneth Scott (KS); Shaun Orme (KY); Nina Hunter (LA); Mary Lou Moran (MA); Michele Riddering (MI); Norman Barrett (MN); Robert Croom and Tracy Biehn (NC); John Arnold (ND); Michael Muldoon and Margaret Otto (NE); Ralph Boeckman (NJ); Jonathan Wycoff (NV); Tony Bonofiglio (OH); Numi Griffith (OR); Gary Jones (PA); Jud Jones (TN); Shelley Wiseman and Ryan Jubber (UT); Sebastian Arduengo and Karla Nuissl (VT); Andrew Davis (WA); Darcy Paskey (WI); and Lauren White (WY). Also participating was: Howard Liebers (DC).

1. Adopted its Spring National Meeting Minutes

Swan made a motion, seconded by Seip, to adopt the Working Group's March 25 minutes (*see NAIC Proceedings – Spring 2025, Market Regulation and Consumer Affairs (D) Committee, Attachment Five*). The motion passed unanimously.

2. Heard a Presentation from URAC on Pharmacy Benefit Management and Pharmacy Accreditation

Heather Bonome (URAC) discussed URAC's pharmacy benefit management accreditation and specialty pharmacy accreditation programs. She said URAC's pharmacy benefit management accreditation program was launched in 2007. Currently, approximately 25 pharmacy benefit managers (PBMs) are accredited under the program. Bonome discussed the program's scope, which is designed to emphasize transparency, continuous quality improvement, and regulatory compliance. She detailed the requirements PBMs must satisfy to achieve URAC accreditation, including requirements concerning: 1) pricing transparency; 2) clinical decision disclosures; and 3) member support. Bonome discussed URAC's 2025 revisions to the accreditation standards designed to: 1) promote best practices and solid foundational principles; 2) update format to match updated scoring; 3) align PBM and other pharmacy programs; and 4) ensure the program accurately reflects industry standards. She also discussed URAC's accreditation review process.

Bonome discussed URAC's specialty pharmacy accreditation program, including the requirements specialty pharmacies must satisfy to receive URAC accreditation. URAC launched the program in 2008. Currently, over 600 specialty pharmacies are accredited. Requirements include those related to pharmacy operations, medication distribution, patient services and communications, and patient management. She also discussed recent updates to the standards.

Seip asked how URAC monitors PBM price transparency with their clients. She said that Iowa and other states are struggling to obtain such information from PBMs. Bonome said URAC's pharmacy benefit management accreditation standards do not require a PBM to have a specific pricing structure. The standard requires a PBM to have a mechanism for communicating its pricing structure to its clients, so that clients have a clear expectation and understanding of the pricing structure.

Kenneth Scott asked what results URAC is finding with respect to complaints, complaint tracking, and response to those complaints during its accreditation process. He also asked how URAC validates the information PBMs provide about such complaints. Bonome said the pharmacy benefit management accreditation standard for complaints requires the PBM to have a process for handling complaints, as well as a requirement that the PBM sets the turnaround time as a goal for how they resolve complaints. She said that during its desktop review process, URAC looks to understand the process and the PBM's turnaround time for resolving complaints. Following this, URAC conducts a validation review. It requests that the PBM provide a list of all its complaints from which URAC pulls a sample, looking for documentation that the PBM has a process for handling complaints and that those complaints are resolved in accordance with its established turnaround time.

Arduengo asked how URAC developed specialty pharmacy accreditation standards without a clear definition of "specialty drug." Bonome agreed that there is no universal definition of "specialty drug." She explained that despite the lack of such a definition, many categories are typically considered specialty pharmacy. She said URAC has a broad definition of "specialty drug." It defines a "specialty drug" as a drug that requires additional clinical services. It may require additional special handling. Bonome said URAC has structured its accreditation program less around dispensing a specific drug and more around specific services, such as patient management and additional clinical services, that the pharmacy is providing.

Pickett asked about URAC's pricing structure for pharmacy benefit management program accreditation. Bonome explained that URAC has a tiered pricing structure based on the number of lives. She said that for PBMs in the tier one category, accreditation costs between $35,000 and $40,000. Pickett asked about the pricing structure for specialty pharmacy program accreditation. Bonome said URAC's tiered pricing structure is based on the number of scripts. She noted that URAC makes accommodations in pricing for independent and smaller pharmacies.

Jones asked about the structure and role of URAC's board of directors in reviewing and approving new accreditation standards and revisions to existing accreditation standards. Bonome said URAC is a unique independent third-party accrediting organization where patients, providers, and payers all have a seat at the table on establishing what constitutes best practice. She said URAC's board of directors reflects this melding of stakeholders and approves the creation of all its programs. Bonome said its board of directors also oversees the direction of the accreditation programs URAC offers. She said it also serves as the final approval of all URAC standards, whether it is a new accreditation program or a revision to existing accreditation program standards. Bonome said the board of directors is the last step in the review and approval process to ensure the standards are relevant and apply to the industry.

3. Received an Update on the Work to Develop the PBM Examination Chapter

Fix said the Working Group's PBM Examination Chapter Drafting Group has completed work on two sections of the draft PBM examination chapter and plans to complete the remaining sections soon after the Summer National Meeting. She said that after the Working Group receives all the sections and completes its own review, it plans to distribute the initial draft of the PBM examination chapter for public comment. Fix said that after the Working Group finishes its work, the Working Group will forward the draft PBM examination chapter to the Market Conduct Examination Guidelines (D) Working Group for its consideration. She also said that at the request of the Market Conduct Examination Guidelines (D) Working Group, as the subject matter experts on PBMs, a few of the Working Group members plan to participate in the Market Conduct Examination Guidelines (D) Working Group's discussions on the draft PBM examination chapter.

4. Received an Update on the Work to Develop PBM Licensing and Registration Standards

Ashley Scott said the Working Group established a drafting group after the Spring National Meeting to develop an initial draft of the PBM licensing and registration standards. She said the drafting group recently finished its work and forwarded the draft to the full Working Group for its review. She said that following the completion of this review, the Working Group plans to distribute the draft for public comment.

5. Discussed Necessary Changes to SBS to Better Handle PBM Complaints

Fix said she has heard from many states about the need for changes to the State Based Systems (SBS) to better handle PBM complaints. She said she recently reached out to SBS staff to discuss the issue and the best path for moving forward with potential SBS changes. Fix said that after talking to the Working Group's co-vice chairs, Jennette volunteered to spearhead this project and work with any other Working Group members or interested regulator volunteers to develop recommendations for the Working Group's consideration during a future meeting. Jennette said she has some ideas for potential changes and would welcome input from other states to increase the prospect of achieving uniformity across the states in addressing this issue. She asked that anyone interested in volunteering reach out to her.

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

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