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Prescription Drug Coverage (B) Working Group
Hollywood, Florida
December 9, 2025

The Prescription Drug Coverage (B) Working Group of the Regulatory Framework (B) Task Force met in Hollywood, FL, Dec. 9, 2025. The following Working Group members participated: Joylynn Fix, Chair (WV); Ashley Scott, Vice Chair (OK); Sarah S. Bailey, Kayla Erickson, and Molly Nollette (AK); Jimmy Gunn and Anthony Williams (AL); Tolanda McNeal and Gio Espinosa (AZ); Lena Bahar and Tricia Dave (CT); Howard Liebers (DC); Sheryl Parker (FL); Andria Seip (IA); Shannon Hohl (ID); Chris Heisler and Ryan Gillespie (IL); Craig Van Aalst (KS); Shaun Orme and Daniel McIlwain (KY); Frank Opelka (LA); Joe Stoddard (MI); Norman Barrett and T.J. Patton (MN); Amy Hoyt (MO); David Dachs (MT); Robert Croom (NC); Cheryl Wolff and Maggie Reinert (NE); Ralph Boeckman and Erin Porter (NJ); Alejandro Amparan (NM); Sylvia Lawson (NY); Lindsi Swartz (PA); Maria Morcelo (PR); Jud Jones (TN); Shelley Wiseman and Ryan Jubber (UT); Jane Beyer (WA); Lori Luder and Coral Manning (WI); and Lauren White (WY). Also participating were: Kevin P. Beagan (MA); Marti Hooper (ME); Tony Bonofiglio (OH); and Jill Kruger (SD).

1. Adopted its Summer National Meeting Minutes

Hohl made a motion, seconded by Beyer, to adopt the Working Group's Aug. 11 minutes *(see NAIC Proceedings – Summer 2025, Regulatory Framework (B) Task Force, Attachment Two)*. The motion passed unanimously.

2. Heard a Presentation from The INS Companies on Prescription Drug Formularies and Specialty Medications

Matthew Sankey (The INS Companies) discussed prescription drug formularies and specialty medications. He discussed how formularies are developed and designed, including how pharmacy and therapeutics (P&T) committees are set up and formulary considerations related to rebate optimization. Sankey highlighted the considerations in designing the formulary related to formulary tiering as well as prior authorization and step therapy requirements. He also discussed how specialty medications are treated under prescription drug formularies, including accessibility, costs, rebates, and reimbursement. Sankey discussed how consumers may be impacted by the types of medications health plans choose to include in their formulary and formulary design, and the lack of transparency. He highlighted how the increase in some medication exclusions raises concerns about patient access. He also discussed state oversight over formulary design and specialty medications. Sankey concluded his presentation with a few key points: 1) formularies are becoming more complex with increased numbers of tiers; 2) patients are required to try and fail therapy or pay higher costs to remain on treatment; and 3) specialty medications may not always be "specialty."

Beagan said that while he agrees that consumers' accessibility to the prescription drugs they need is an issue, he believes Massachusetts's biggest problem is the cost. He stated that, in looking at recent rate filings in Massachusetts, the trends for pharmaceutical benefits include cost increases of 14% and 18%. He said Massachusetts is also trying to find ways to improve transparency, particularly by making sure better information is available to all.

Beagan asked Sankey to provide additional information about why certain drugs are excluded from formularies. Sankey said one issue is the proliferation of pharmaceutical drug advertisements, which lead consumers to request certain drugs that might not be appropriate for them. However, he noted that that is a side issue. Sankey said that, as specifically related to his presentation on the reason certain drugs are excluded, he believes this

 

might occur because pharmacy benefit managers (PBMs) are incentivized to promote brand-name drugs over generic drugs due to rebates and other incentives, which likely results in higher costs for consumers.

Beagan said he believes there is a lack of understanding and clear definition of what a generic drug is versus a brand-name drug. He said there is also a lack of clear understanding of the terms "biosimilar" and "biologics." He said this issue arose recently in Massachusetts regarding insulin. Beagan asked Sankey to discuss this issue and whether there was some sort of commonality between the terms. Sankey explained the progression of a brand-name drug to a generic drug. He said a generic drug that is manufactured exclusively by one drug manufacturer is considered a brand-name drug. A multi-source generic drug, which is manufactured by multiple drug manufacturers, is a true generic drug. Sankey stated that, with respect to biologics and biosimilars, a biologic drug, such as Humira, is considered a brand-name drug. He said a biosimilar can be created from this biologic brand-name drug, but when it is compounded, the molecules are so small and so precise that the biosimilar cannot qualify as a substitutable generic. Sankey explained that the biosimilar is a generic product that, therapeutically, does the same thing as the biologic brand-name drug; however, the way it is constituted does not allow it to be a substitutable generic. Sankey explained the difficulties a consumer could encounter in trying to obtain the biosimilar to Humira as a cheaper alternative.

Amparan asked Sankey about multi-source and single-source generics and the seemingly increasing exclusion of single-source generics from drug formularies. Sankey discussed the incentives for preferring brand-name drugs on the formulary, and the potential impact of certain contract language and patents drug manufacturers use in manufacturing single-source generics, which leads to the exclusion, at least temporarily, of single-source generics from the drug formulary.

Carl Schmidt (HIV+Hepatitis Policy Institute) expressed appreciation for Sankey's presentation. He said the issues discussed in the presentation, particularly those related to formulary design, are extremely important for consumers. He asked that the Working Group consider holding another meeting in the near future to allow for additional discussion of these issues from a consumer perspective. Fix agreed to consider holding such a meeting in early 2026.

3. Discussed a Future Meeting on Prescription Drug Discount Cards

Fix said the Working Group would like to hold a meeting to hear an educational presentation on drug discount cards, including how they are set up, the main process of how they are adjudicated, how pharmacies get paid, and how the discount company gets paid. She asked that anyone with suggestions for a presenter on the topic reach out to her or Scott.

Having no further business, the Prescription Drug Coverage (B) Working Group adjourned.

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