



Michael Preston
SECRETARY OF COMMERCE

Alan McClain
COMMISSIONER,
ARKANSAS INSURANCE
DEPARTMENT

BULLETIN NO. 4-2022

TO: ALL LICENSED INSURERS, HEALTH MAINTENANCE ORGANIZATIONS (HMOs), FRATERNAL BENEFIT SOCIETIES, FARMERS' MUTUAL AID ASSOCIATIONS OR COMPANIES, HOSPITAL MEDICAL SERVICE CORPORATIONS, NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS, PRODUCER AND COMPANY TRADE ASSOCIATIONS, AND OTHER INTERESTED PARTIES

FROM: ARKANSAS INSURANCE DEPARTMENT

SUBJECT: PHARMACY BENEFIT MANAGERS "SEASONING REQUIREMENTS"

DATE: February 17, 2022

AID has recently received a significant number of inquiries and complaints from Arkansas pharmacists over PBM "seasoning requirements," or requirements from a PBM that a pharmacy be in business for a certain time period before the pharmacy is credentialed by the PBM to do business for the PBM. AID would like to advise the PBM industry to review Ark. Code Ann. Section 23-92-506(b)(3) which provides: "A pharmacy benefits manager or representative of a pharmacy benefits manager shall not, unless reviewed and approved by the Commissioner in coordination with the Arkansas State Board of Pharmacy, require pharmacy accreditation standards or certification requirements inconsistent with, more stringent than, or in addition to requirements of the board."

It is our understanding that the Arkansas State Board of Pharmacy does not impose seasoning requirements on newly licensed pharmacists before they are able to engage in their business; therefore, AID takes the position that a PBM's "seasoning requirements," must be approved by the Commissioner. AID will however not require formal review and approval of each PBMs seasoning requirements as long as such requirements comply with the standards in this Bulletin. The Commissioner expects each PBM to have the following characteristics in their seasoning requirements for credentialing: (1) the pharmacy must directly be provided with notice of a lack of seasoning requirements with a dedicated email, phone number, and address of the PBM to make an exceptions or appeal request; (2) there must be an exceptions process for rural locations of the pharmacy and common ownership of the pharmacy; (3) the PBM must address in writing the reasons for the denial of seasoning and shall have no longer than 30 days to review an exceptions request.

ALAN MCCLAIN
ARKANSAS INSURANCE COMMISSIONER

DATE