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# Lawmakers, Pharmacists Meet with CVS over Regulation of Pharmacy Benefit Managers

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LITTLE ROCK, Ark. - Hundreds of pharmacists and patients from every corner of the state spilled out of the Old Supreme Court Room at the capitol Wednesday to fight for change.

The nearly 750 pharmacies in Arkansas noticed cuts to their drug reimbursement rates at the beginning of the year. They have been working with lawmakers ever since to regulate who they say is to blame: pharmacy benefit managers (PBMs).

"This room is packed because this is an Arkansas issue," Lt. Gov. Tim Griffin told the crowd. "This is every household in Arkansas. We don't have a healthy market. We don't have healthy competition. What we have is dysfunction because of oversized players who are basically helping themselves at your expense."

The Arkansas Pharmacists Association obtained records of more than 270 popular drugs in the state and found CVS pays itself at least \$60 per prescription more than it pays pharmacies.

"This is an example of blatant self-dealing," CEO Scott Pace told the crowd.

Pace pointed to two cases in particular. While Arkansas pharmacies received about \$28 for 30 tablets of Aripiprazole, a medication to treat depression, CVS received \$512. The other showed the state's pharmacists received about \$909 for 20 tablets of Temozolomide, a cancer treatment. CVS received nearly \$4,000.

"When the fox guards the hen house, all sorts of games can be played and in Arkansas with the PBMs, they have been," Pace said. "They operate behind a curtain of secrecy."

The CEO has been working with lawmakers on the legislation to regulate these PBMs, giving the state insurance department oversight of them.

Pace said they have trimmed the resolution from 14 to seven pages, which CVS saw for the first time Wednesday morning right before the press conference. He had another meeting scheduled with CVS representatives at 4 p.m. at the capitol.

The [Pharmaceutical Care Management Association](#), who represents PBMs across the country, released the following statement on the proposed Arkansas legislation:

"This resolution would raise prescription drug costs for Arkansas's patients, employers, state government, and taxpayers and do nothing to improve the quality of pharmacy benefits. The state should be encouraging market-based solutions to reduce drug costs, not giving special protections to the drugstore lobby."

Arkansas pharmacists argue PBMs have forced them to cut hours and jobs, even consider closures in the near future.

"They say it's proprietary, but it's affecting my business every day that I love," said Mike Smith, the owner of Rose Drugstore in Russellville. "We are the boots on the ground. We are the ones with all the customers. We have been serving families for generation after generation that we need to take care of. We would like to have a reasonable, fair reimbursement on a level playing field."

Gov. Asa Hutchinson plans to call a special session on this issue once lawmakers wrap up the fiscal session.

St. Rep. Michelle Gray, R- Melbourne, who is sponsoring the PBM legislation on the House side, is adamant about her colleagues addressing the issue immediately during the fiscal session. However, Gray said a meeting with Hutchinson Wednesday morning convinced her to back off.

"He assures me that this bill, which we are still working to finalize to make sure that there are no unintended consequences, will be on the special call," Gray told the crowd. "He looked me in the eyes, and I have to trust that. If I can't trust my governor to do what he says he'll do, I might as well just pack up and go home."

Rep. Gray and the legislation's sponsor on the Senate side, St. Sen. Ron Caldwell, R-Wynne, said they would not have been able to act this fast without the help of their colleagues, pharmacists, patients and other community members across the state.

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