



March 2, 2017

Dear APA Members,

I'm pleased to share this news story about the PBM lawsuit that has been ongoing in Arkansas for the past 18 months. The state prevailed on four of the five claims that the PBM trade association, PCMA, brought against the state of Arkansas. I want to thank Attorney General Leslie Rutledge and her staff, particularly Shawn Johnson, for their terrific work in defending this law. We still have a lot of analysis to do on Judge Miller's decision but we wanted to share this news clip that was released this morning regarding this important decision.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Pace".

Scott Pace, Pharm.D., J.D.  
Executive Vice President & CEO

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### **Judge tosses pharmacy group's repayments suit**

By Linda Satter

*Arkansas Democrat Gazette (03/02/2017)*

Chief U.S. District Judge Brian Miller on Wednesday threw out a 2015 lawsuit in which a national group of PBMs challenged the constitutionality of an Arkansas law that governs how pharmacists are reimbursed for dispensing generic drugs. The lawsuit concerned legislation which requires PBMs to reimburse pharmacies at or above the cost the pharmacy paid for any generic drugs from a wholesale supplier. It was supported by pharmacists who said it was long overdue as a way to stop the benefits managers from shorting them on reimbursements by using Maximum Allowable Cost lists with outdated prices. The Pharmaceutical Care Management Association, which filed the lawsuit, maintained that the law was simply a way for pharmacists to make more money at the expense of benefits plans, and argued that it would result in higher costs for the plans and patients. The association said the Arkansas law disrupted the uniformity that the cost lists provide for pharmacy networks across the country. Miller's 23-page order began by noting that "independent community pharmacies have had to eliminate employees during the last 5 to 10 years due to the financial hardships they have faced. The Arkansas legislature passed and amended Arkansas Code Annotated section 17-92-507 in an attempt to address this issue."

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