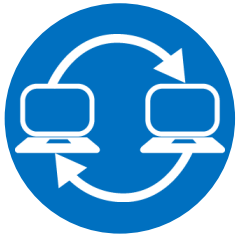


Legislative Landscape: Prescription Drug Costs & County Impacts

Leanne D Gassaway MHA MSL
VP, State Government Affairs
July 23, 2025



Services that PBMs Offer to Clients



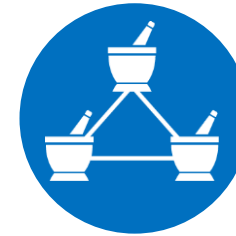
Claims
Processing



Price, Discount and
Rebate Negotiations
with Pharmaceutical
Manufacturers



Formulary
Management



Pharmacy
Networks



Mail Service
Pharmacy



Specialty
Pharmacy



Drug Utilization
Review



Disease
Management and
Adherence Initiatives

Policy proposals affecting the pharmacy benefit and their impact

State legislation erodes ERISA preemption, while federal legislation amending ERISA could strengthen in

PRIORITY ISSUES

“De-linking” • Spread pricing ban • Rebate pass through • Cost sharing limits • Network limitations

Bans pay-for-performance contracts

Eliminate pay-for-performance contracts which put at risk disease management, adherence, and specialty management programs

Potentially undermine programs that are designed to impact overall outcomes

Eliminates preferred pharmacy networks

Prohibit preferred network arrangements between PBMs and pharmacies that are proven to lower costs

Undermine plan sponsors' efforts to choose plan designs that include lower-cost, convenient services

Restricts home-delivery

Eliminate or undermine plan sponsors' ability to include a home-delivery mail pharmacy option as part of their network design

Increase costs to plan sponsors and consumers
Limit ability to adopt plan designs for home delivery benefits and programs

Restricts or eliminates specialty pharmacy networks

Eliminate plan sponsors' ability to use exclusive specialty pharmacy plan designs

Potentially force patients using specialty medication into less coordinated care with less clinical support

Arkansas HB 1150

In April 2025, Arkansas Governor Sarah Sanders signed a law, House Bill 1150 (HB 1150), that **prohibits a pharmacy from being licensed in the state if it is owned, directly or indirectly, by a pharmacy benefit manager or health insurer.**

Without changes to the law, CVS retail pharmacies, CVS Caremark mail order pharmacy, CVS health long term care and CVS Specialty Pharmacies will not be able to do business in the state of Arkansas, effective January 1, 2026.

HB 1150 will also **prevent PBM-affiliated pharmacies, including mail and specialty, that are based outside of Arkansas, from shipping prescriptions into the state.**



A proposed law would close this location along with every other CVS Pharmacy in the state.

That means you will no longer be able to fill your prescriptions here, the cost of your medications may go up, and the pharmacist you rely on will lose their job.

Tell your elected officials and the governor to **OPPOSE HB 1150!**

Take action now.

TEXT ACT
to 63641.



Impact on ERISA Plans

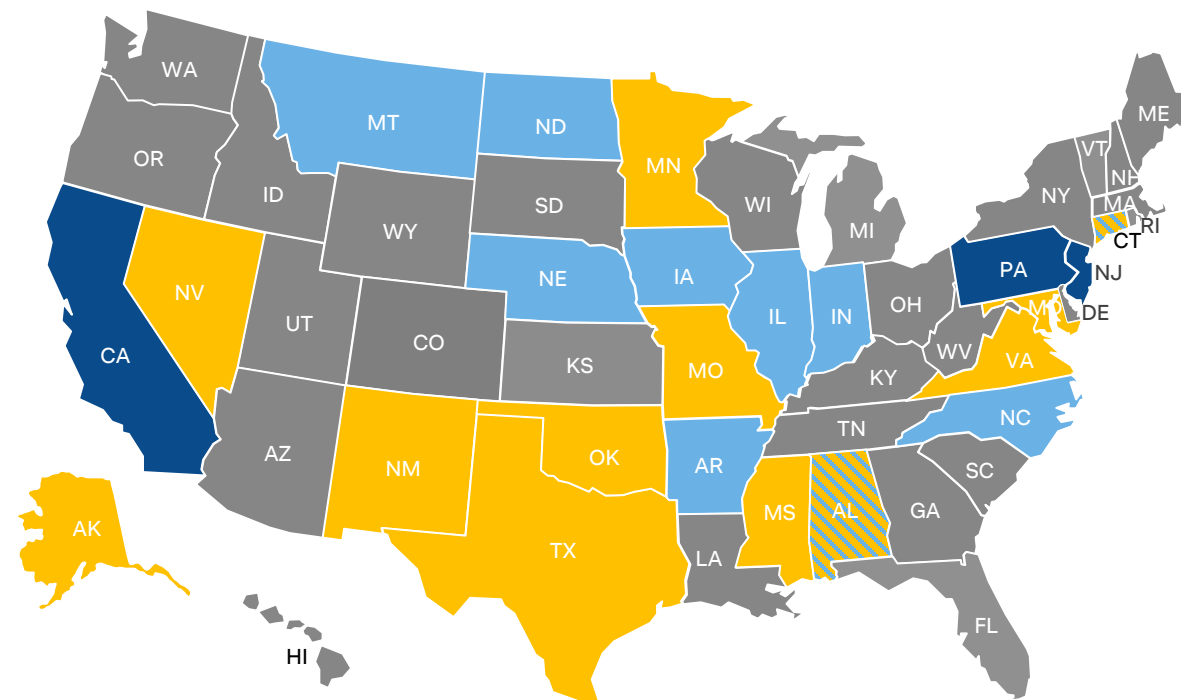
We have seen several states propose bills that could be applied to self-funded plans either through language that explicitly includes reference to ERISA and Non-ERISA self-funded plans or implied application through creative definitions or legislative debate.

Proposals Impacting:

- Utilization Review
- Payment Mandates
- Pharmacy Benefit Regulation

State legislation threatens ERISA preemption

2025 Bills to Date



- ERISA Intended Bills Enacted
- ERISA Intended Bills Mitigated
- ERISA Intended Bills Defeated
- ERISA Intended Bills Still Pending
- No ERISA Intended Bills Introduced in 2025



Pharmacy Benefit Legislation and Impacts

Priority Policy Proposals	Plan sponsor cost increase	Patient cost increase
Eliminating preferred pharmacy networks*	+4.2%	n/a
Restricting home-delivery/mail order Rx**	+13.3%	+9.4%
Restricting or eliminating specialty pharmacy networks**	+4.6%	+1.8%
Mandated pharmacy reimbursement/dispensing fees**	+9.6%	+7.0%

*Data comes from CVS internal claims analysis based on a representative group of PBM clients that use the CVS Health Proximity Network.

**Data comes from CVS internal claims analysis based on a representative group of PBM clients. Every effort is made by CVS Caremark and its analysts to maintain the highest level of accuracy in its projections, however because of the variability of numerous factors, which are not under the control of CVS Caremark, we cannot guarantee the estimated results shown. Cost, utilization and members metrics used are based on the member state address.



