



# Independent Pharmacy Alliance of America Inc.

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### Legislative Update

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**To:** IPA NJ Members ONLY

**From:** Anthony Reznik

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## NJ INDEPENDENT COMMUNITY PHARMACY COALITION

(IPA, GSPO, NJPhA, IAPS, NJRxPAC, Omega Pharmacy Group, and United Pharmacy Network)

### **NJ DEPARTMENT OF BANKING & INSURANCE TAKES SWEEPING ACTION TO ENSURE PBMs COMPLY WITH NJ MAC LAW**

**BULLETIN AVAILABLE ON THE IPA WEBSITE – WWW.IPA-RX.ORG, BREAKING NEWS TAB**

**Independent Pharmacy Owners take note:** As a follow-up to the NJ Independent Community Pharmacy Coalition's meeting with the NJ Department of Banking and Insurance (DOBI), DOBI has issued a sweeping guidance to PBMs in the form of a bulletin which has the force of law. **It is important for all pharmacy owners to read this notice.** As you know, two strong laws (MAC Transparency and PBM Regulation) were enacted via the legislative process to create a foundation for PBM reform in NJ. The coalition representing all NJ independent community pharmacies has achieved these goals by unifying our messages to legislators and regulators.

**The DOBI bulletin specifically outlines that PBMs must do the following:**

- 1. PBM Licensure & Certification:** DOBI notified PBMs that as of April 16, 2018 every PBM that acts on behalf of a carrier in NJ must apply for certification or licensure as an organized delivery system with the state. **The required licensure application is included in the bulletin.**
- 2. MAC Law Compliance:** PBMs are not in compliance with the MAC law when, after denial of appeal, they do not provide pharmacies the specific wholesaler where generic drugs at or below the PBMs maximum allowable costs (MAC) can be purchased.
- 3. Mail Order & Specialty Drugs:** DOBI reminded PBMs that carriers may not require that pharmacy services and prescription drugs be obtained from a mail service pharmacy. DOBI states that although they have allowed carriers to require that specialty drugs be obtained from specialty pharmacies and in some cases mail order only, DOBI is concerned that this exception is being abused through application of drugs that are routinely dispensed by most pharmacies. **The bulletin defines when a drug may be classified as a specialty drug and unless their strict requirements are met, the drug cannot be considered a specialty drug and must be covered if obtained by a retail pharmacy.**

We know everyone is frustrated with PBM reimbursements, but with the sweeping DOBI bulletin it's critical for the next 30 days that **every pharmacy owner provide IPA with MAC appeal rejections to see if PBMs are complying with the DOBI bulletin.** Please fax appeals to 609-395-1007. We appreciate all of your support.