

Arkansas Insurance Department

Asa Hutchinson
Governor



Allen Kerr
Commissioner

March 23, 2020

BULLETIN NO. 8-2020

TO: ALL LICENSED INSURERS, HEALTH MAINTENANCE ORGANIZATIONS (HMOs), PHARMACY BENEFIT MANAGERS, 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: SUSPENSION OF RANDOM AUDITS OF PHARMACISTS

The Arkansas Insurance Commissioner is issuing this Bulletin to assist consumers with prescription drug benefit plans regulated by the Arkansas Insurance Department, providers of health services attempting to treat and contain the outbreak of COVID-19 in the state, and entities regulated by the Department as they deal with urgent needs caused by the occurrence of the virus in Arkansas.

The Arkansas Insurance Department is committed to assisting elected government officials, its fellow state agencies, local health departments, emergency managers, and health care providers in providing for the health and welfare of the people of Arkansas.

On March 11, 2020, Governor Asa Hutchinson issued Executive Order 20-03 declaring a statewide state of emergency in response to the outbreak of the COVID-19 virus among Arkansans. The Order may impact various insurance regulatory statutes so that the Department may effectively render maximum assistance to overcome any potential impediment to the rapid and orderly rendering of assistance to our citizens affected by the virus.

RANDOM AUDITS OF PHARMACISTS SUSPENDED

Recognizing that pharmacists are an important part of the allied health response to mitigate the spread of COVID-19 and assist with the treatment and therapy of those testing positive for the virus, the Commissioner believes random in-person or "desk" audits of pharmacies by pharmacy benefit managers (PBMs) or health carriers is an impediment to the rendering of assistance to our citizens affected by the virus.

Therefore, the Commissioner directs PBMs licensed to do business in Arkansas and all health insurance carriers offering health insurance plans, including short-term limited-duration insurance plans, regulated by the Department to suspend random audits (including, but not limited to in-person or "desk" audits) of pharmacies during the 60-day period beginning with the date Executive Order 20-03 was issued.

This directive does not apply to cases where fraud is suspected.

Any questions regarding this Bulletin should be directed to insurance.legal@arkansas.gov at the Arkansas Insurance Department or by phone at 501-371-2600.



ALLEN KERR
INSURANCE COMMISSIONER
STATE OF ARKANSAS

March 23, 2020
DATE