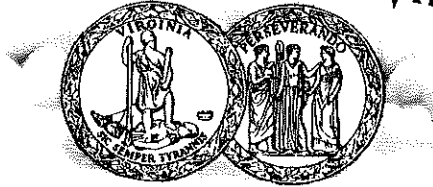


COMMONWEALTH OF VIRGINIA

SCOTT A. WHITE
COMMISSIONER OF INSURANCE
STATE CORPORATION COMMISSION
BUREAU OF INSURANCE



P.O. BOX 1157
RICHMOND, VIRGINIA 23218
1300 E. MAIN STREET
RICHMOND, VIRGINIA 23219
TELEPHONE: (804) 371-9741
www.scc.virginia.gov/boi

April 21, 2020

Ms. Monique Whitney
Executive Director
Pharmacists United for Truth and Transparency
326 S. Main Street
Winston-Salem, North Carolina 27101

Dear Ms. Whitney:

Commissioner White asked me to respond to your letter dated March 30, 2020. Virginia does not currently have any laws regulating Pharmacy Benefit Managers (PBMs). In the 2020 Session of the Virginia General Assembly, legislation relating to PBMs passed the Senate and House of Delegates (SB251 and HB1290) and was sent to the Governor.

That legislation would:

- Require PBM licensure
- prohibits any advertisement, promotion, solicitation, representation, proposal or offer that is untrue
- prohibits charging a pharmacist or pharmacy a fee related to the adjudication of a claim other than a reasonable fee for an initial claim submission
- prohibits reimbursing a pharmacy or pharmacist an amount less than the PBM reimburses a PBM affiliate for providing the same pharmacist services, calculated on a per-unit basis using the same generic product identifier or generic code number and reflecting all drug manufacturers rebates, direct and indirect administrative fees and costs and any remuneration
- prohibits penalizing or retaliating against a pharmacist or pharmacy for exercising rights provided by this law
- prohibits imposing accreditation standards or certification requirements inconsistent with, more stringent than, or in addition to requirements of the Virginia Board of Pharmacy or other federal or state entity
- prohibits including any mail order pharmacy or PBM affiliate in calculating or determining network adequacy
- This measure also imposes certain recordkeeping and reporting requirements on PBMs

Ms. Monique Whitney
April 21, 2020
Page Two

The Governor has not signed this legislation and instead has returned it to the General Assembly with a recommendation the PBMs be allowed to include affiliates in calculating network adequacy. I will let you know what happens with this bill.

Sincerely,

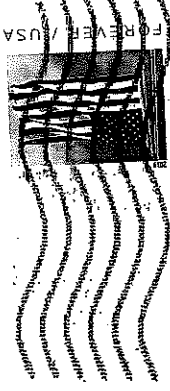
A handwritten signature in black ink, appearing to read "Donald C. Beatty", with a long, sweeping horizontal stroke extending to the right.

Donald C. Beatty
Deputy Commissioner
Policy, Compliance and Administration



DON BEATTY
12707 MIRRIDA POND WTH
M. DOTHAM VT 23114

Monique Whitely
Executive Director
Pharmacia's United
326 S main St.
Winstn - Salem NC 27101



RICHMOND VA 230

21 APR 2020 PMS L

27101-521725

