

IOWA COMMENTS

1 - The Table of Contents (TOC) seems to have several different numbering/lettering schemes to its subsections. For example, under "B" the subsections are numbered '1-7.' But under "D" the subsections are lettered 'a-f' and under "G" they are *lettered and italicized*. The content of the document is actually organized like "B" in that the subsections under a CAPITAL LETTER are numbered. I think the numbering/lettering in the TOC was just overlooked and needs to be changed to be like "B."

2 - In section C.1 on page 11, below, (1) and (4) are very similar. I had to read them both a couple of times. I realize these provisions may be different sections of Act 900, but I think it would make sense to move (4) to directly follow (1) so they can be read together. So, (4) would be the new (2), (2) would be the new (3), etc.

Taken together, this suggests that a state law comparable to Arkansas's Act 900 will not be preempted by ERISA, even if it applies to self-insured plans. The features of Act 900 upheld by *Rutledge* are as follows:

- (1) Requires PBMs to reimburse a pharmacy at a price equal to or greater than what the pharmacy paid to buy the drug from a wholesaler;
- (2) Requires PBMs to timely update their Maximum Allowable Cost (MAC) lists when drug wholesale prices increase;
- (3) Requires PBMs to provide an administrative appeals procedure for pharmacies to challenge MAC reimbursement that is below a pharmacy's acquisition cost;
- (4) Requires PBMs to increase their reimbursement rate to cover a pharmacy's acquisition cost if that pharmacy is unable to acquire the drug at a lower price from a typical pharmaceutical wholesaler;

3 - In D.4, on page 18, below, the second sentence seems to need some commas and to have "with" moved. It just doesn't flow.

As written in the White Paper: In business and economics, vertical integration means a combination in one company of at least two stages of production normally performed by separate companies. For example, an entity that manufactures a product may also be affiliated with through common ownership a wholesale distributor and a retail store.

Suggested edits: In business and economics, vertical integration means a combination in one company of at least two stages of production normally performed by separate companies. For example, an entity that manufactures a product may also be affiliated, **with through common ownership, with** a wholesale distributor and a retail store.

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