

# Spotlight on State: Arkansas

*This is part of a [series of summaries](#) that highlight notable legislation and initiatives in health policy and reform of all 50 states. Check back on The Source as we roll out additional states each week.*

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Arkansas maintains a statewide all-payer claims database, established under the Arkansas Healthcare Transparency Initiative Act of 2015 which mandates collection of medical, dental, pharmacy, and other insurance claims information, including enrollment and provider data, from various entities.

Arkansas was also among the first states to recognize the benefits of telemedicine when it passed the Telemedicine Parity Law in 2015, requiring that a health benefit plan provide coverage and reimbursement for healthcare services provided through telemedicine on the same basis as health services provided in person. Since the coronavirus pandemic, the state further amended telemedicine laws to permanently extend emergency measures enacted for the duration of the pandemic that allows providers to treat patients via telehealth without first conducting an in-person exam.

To promote competition and limit market power in provider markets, Arkansas enacted the Healthcare Contracting Simplification Act in 2019, which prohibits the use of most-favored nation and all-products clauses in provider-insurer contracts. The state additionally requires court approval of mergers involving certain public benefit or religious corporations.

Arkansas also leads the nation in the regulation of pharmacy benefit managers in the pharmaceutical industry. The Arkansas Pharmacy Benefits Manager Licensure Act of 2018 addresses the lack of transparency among PBMs by placing comprehensive

licensure and oversight over PBMs, as well as banning PBM “gag clauses” that prevent pharmacists from discussing the total price of a drug or cheaper alternatives. Another PBM law, however, became the subject of a Supreme Court case ([\*Rutledge v. PCMA\*](#)) that may have lasting impact for state regulation of healthcare prices. Act 900 (SB 688) was originally enacted in 2015 and required the disclosure of generic drug pricing and set a floor on prices that PBMs can pay to pharmacies for generic drugs. The drug pricing law was challenged by PCMA on the grounds of ERISA preemption and was struck down by the District Court of Arkansas in 2017 and affirmed by the 8<sup>th</sup> Circuit on appeal. The Supreme Court, however, overturned the decision and upheld the state law as permissible price regulation under ERISA.