



Rheumatologists Applaud SCOTUS' Unanimous Decision that Arkansas' PBM Law is Not Preempted by ERISA

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Chicago, IL... Today, the Supreme Court of the United States unanimously upheld Arkansas' Pharmacy Benefit Manager (PBM) law in the [Rutledge V. PCMA](#) case. The state statute required PBMs to reimburse pharmacies at a break-even point or above. The PBM industry argued that the Arkansas law was preempted by ERISA, a federal statute governing employee benefit plans.

"In 2017, CSRO began its "Rebate Road Show" educating providers, patients, regulators, and legislators on the harmful practices of PBMs. In fact, one of the first talks I gave in 2017 was at the Arkansas State Rheumatology Association," said Dr. Madelaine Feldman, CSRO President and private practice rheumatologist in New Orleans, LA. "To see the court's decision that Arkansas' law is not preempted by ERISA is a major victory for patients and future state laws regulating PBM's. Remarkably, not a single Supreme Court Justice dissented."

The CSRO, a founding member of the Alliance for Transparent and Affordable Prescriptions (ATAP), contributed to a Supreme Court amicus brief [filed by ATAP](#) in the case. In the brief, ATAP outlined for the Court the harmful effects that PBM business practices have even beyond their effect on pharmacies; namely, on patient access and the practice of medicine.

In the opinion penned by Justice Sotomayor, the Court recognized that the PBM argument in this case amounted to an attempt to hide behind preemption to avoid all State regulation, finding that, 'Taken to its logical endpoint, PCMA's argument would pre-empt any suits under state law that could affect the price or provision of benefits.'

"The Court clearly understood that PBMs have gone far too long without taking any responsibility for the harm to patients they cause by their business practices," added Dr. Feldman. "This opinion provides a roadmap for policymakers as they attempt to rein in the abusive practices of the PBM industry for supply chain stakeholders beyond pharmacies."

The CSRO will continue to move forward in support of regulating PBMs, and to push for new legislation that protects patient access and affordability for prescription medications at the state and federal levels.

The [Coalition of State Rheumatology Organizations \(CSRO\)](#) is comprised of a group of state and regional professional rheumatology societies throughout the country formed to advocate for excellence in rheumatologic disease care and to ensure access to the highest quality care for the management of rheumatologic and musculoskeletal diseases. Our nationwide coalition serves practicing rheumatologists in charge of patient care for these illnesses.