

PBM Appeals Update for Community Pharmacies



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WHY PBM APPEALS MATTER MORE THAN EVER



For community pharmacies, PBM reimbursement pressure continues to challenge sustainability. Even as legislative momentum grows across many states, the reality on the ground remains the same: ***pharmacies must actively monitor reimbursements and submit appeals when claims fall below acquisition cost.***

A strong PBM appeals process protects gross profit, improves cash flow visibility, and reinforces accountability across the supply chain.

Submitting appeals consistently is no longer optional. It is a critical operational discipline for pharmacies that want to remain competitive and financially stable.

***See how easy it is for
pharmacies to file appeals
and increase profitability in
one simple platform.***



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WHAT'S CHANGING IN THE PBM APPEALS LANDSCAPE ▼

Across the country, new laws and policy reforms are improving transparency requirements and strengthening appeal rights for community pharmacies.

Many states now require PBMs to:

1. Provide clearer appeal submission requirements
2. Respond within defined timelines
3. Accept invoice-based proof of acquisition cost
4. Provide the source of items on MAC Lists or use NADAC/AAC as reimbursement floors
5. Update reimbursement when appeals are validated

However, policy improvements alone do not guarantee better outcomes.

Pharmacies that organize documentation and submit appeals consistently are seeing the greatest benefit.

STATE-BY-STATE ENFORCEMENT IS CHANGING THE PBM APPEALS LANDSCAPE

State PBM Enforcement Headlines

OKLAHOMA

Attorney General - Gentner Drummond

PBM: CVS Caremark

\$32M Settlement - Rebate Withholding

AG found Caremark withheld drug-manufacturer rebates owed to HealthChoice 2020-2024. ~\$27M returned to the plan after fees.

\$5.1M Settlement - Below-Cost Pay

Caremark reimbursed 68,099 claims below pharmacy acquisition cost (Jan 2024 - Aug 2025). 75% of fine flow directly back to affected pharmacies.

Operational Reforms Mandated

Quarterly rebate disclosure, 90-days pass-through requirement, acceptance of actual-acquisition-cost documentation in disputers.

TENNESSEE

Dept. of Commerce & Insurance (TDCI)

PBM: CVS Caremark & Optum RX

Caremark Audit - 11 formal Findings (CY2024)

Reimbursement own CVS pharmacies up to 16,510% more. Continued spread pricing after TN's 2021 ban. Improper dispensing-fee denials for rural pharmacies.

Consent Orders - \$750K in Penalties

Three consent orders (Sept 2025 & Jan 2026). Repeated noncompliance even after prior state warnings.

Optum Rx & ESI Audits

ESI: 12 violations, \$250K penalty (Sept 2025). Optum Rx audit published Feb 20, 2026 - affiliate favoritism, delayed reimbursements, improper clawbacks.

WEST VIRGINIA

Attorney General - J.B. McCuskey

PBM: Express Scripts (Evernorth)

Federal Lawsuits Filed - Aug 15, 2025

WV alleges ESI was the 'central architect' of the opioid epidemic - incentivizing opioid formulary placement via rebate and enabling mail-order diversion.

Self-Dealing on Speciality Drugs

ESI acknowledged paying its own pharmacy (Accredo) more than 100x what outside vendors would charge for the same specialty drugs under PEIA.

Damages Sought

Actual & punitive damages, disgorgement of profits and court-ordered corrective action plan.

ARKANSAS

Insurance Dept. (AID) AG Tim Griffin

PBM: CVS Caremark, ESI, Medimpact Megellan

\$1.5M in Fines - August 2024

AID fined four PBMs for persistently paying pharmacies below NADAC - violating Act 900 of 2025. Largest AID enforcement to date.

Rule 128 - 654 Non Complaint Plans

AID found 19% of plan (340,000 AR lives) managed by 12 PBMs consistently reimburse below NADAC. Investigations ongoing into 11 PBMs as of May 2025.

Act 624 - First-in-Nation Divestiture Law

Gov. Sanders signed April 2025 law banning PBM ownership of pharmacies (eff. Jan 1, 2026). Preliminary injunction issues July 2025. Case on appeal.

WHAT HIGH-PERFORMING PHARMACIES ARE DOING DIFFERENTLY

Pharmacies that successfully recover margin through appeals typically follow a repeatable process. Top-performing pharmacies:

1. Review reimbursement variance weekly
2. Identify below-cost claims quickly
3. Maintain organized invoice documentation
4. Submit appeals within required timelines
5. Track appeal outcomes by PBM
6. Measure recovered dollars monthly

These pharmacies treat appeals as a financial protection strategy, not a one-time activity.

ALIGN PBM APPEALS WITH YOUR STATE'S PROCESSES

PBM appeals are becoming more effective across the country as states strengthen reimbursement protections and transparency requirements. However, each state's rules, timelines, and documentation expectations can differ. Pharmacies seeing stronger appeal outcomes often focus on these alignment strategies:

Leverage invoice-based protections when available

Several states require PBMs to consider verified acquisition-cost documentation. Keeping invoices organized and accessible makes it easier to take advantage of these protections.

Stay aware of evolving transparency rules

State legislation continues to improve visibility into reimbursement methodologies. Monitoring these changes helps pharmacies strengthen their appeal submissions.

Track appeal outcomes to support future advocacy

Appeal activity not only protects margin, it also contributes real-world reimbursement data that supports ongoing legislative progress for community pharmacy.

Aligning your workflow with state-level protections ensures your pharmacy can take full advantage of the appeal rights already available today.



THE FINANCIAL IMPACT OF CONSISTENT APPEALS ACTIVITY



Pharmacies that implement structured appeals workflows often recover meaningful revenue that would otherwise be lost. Recovered margin can support:

1. Staffing stability
2. Expanded patient services
3. Technology investments
4. Inventory optimization
5. Improved cash flow predictability

Even small improvements per claim can produce measurable annual gains.

WHY DOCUMENTATION QUALITY MATTERS



Strong appeals depend on strong documentation. PBMs increasingly require precise invoice matching and validation before approving reimbursement adjustments.

Helpful documentation includes:

1. Invoice number
2. Purchase date
3. NDC confirmation
4. Package size verification
5. Acquisition cost validation

Organized documentation improves approval speed and reduces resubmissions.

LEGISLATIVE PROGRESS VS OPERATIONAL REALITY



While PBM reform continues to advance at both the state and federal level, execution still depends on pharmacy participation.

Appeal rights are only valuable when they are used.

Pharmacies that build consistent workflows today position themselves to benefit most from future reimbursement transparency improvements.

HOW TECHNOLOGY IS HELPING PHARMACIES TAKE CONTROL



Many pharmacies are now adopting workflow tools that:

- Identify appeal opportunities automatically
- Attach verified invoice documentation
- Track submission progress
- Monitor approval status
- Measure recovered margin impact

Technology reduces manual workload and increases the likelihood of successful reimbursement corrections.



ACTION STEPS YOU CAN TAKE IN YOUR PHARMACY THIS MONTH



To strengthen your PBM appeals process immediately:

1. Review your last 30 days of reimbursement activity
2. Identify claims paid below acquisition cost
3. Confirm invoice availability for those claims
4. Submit appeals within required PBM timelines
5. Track approval outcomes and recovered dollars

Small improvements in consistency can produce measurable financial impact within a single quarter.



MAKING IT SIMPLE WITH PHARMACY MARKETPLACE



Pharmacy Marketplace helps community pharmacies take a more structured approach to PBM appeals by simplifying the steps that typically slow teams down. The platform organizes documentation, connects verified invoice evidence to claim-level appeal activity, and helps pharmacies identify opportunities to recover margin more consistently.

Sign up now to see a demo.

<https://pharmacymarketplace.com/demo>

