

18-540 RUTLEDGE V. PHARMACEUTICAL CARE MANAGEMENT

DECISION BELOW: 891 F.3d 1109

LOWER COURT CASE NUMBER: 17-1609

QUESTION PRESENTED:

Thirty-six States have enacted legislation to curb abusive prescription drug reimbursement practices by claims-processing middlemen-known as pharmacy benefit managers (PBMs)-who make money on the spread between the rates at which they reimburse pharmacies and the drug prices they charge health plans. In response, Respondent Pharmaceutical Care Management Association (PCMA), a PBM trade association, has launched a barrage of litigation across the country arguing that state regulations of PBMs generally, and state drug-reimbursement regulations specifically, are categorically preempted by the Employee Retirement Income Security Act of 1974 (ERISA). Disregarding this Court's ERISA precedent (and contrary to the First Circuit's conclusion that PBM regulations are categorically *not* preempted by ERISA), the Eighth Circuit embraced that argument.

The question presented here is:

Whether the Eighth Circuit erred in holding that Arkansas's statute regulating PBMs' drug-reimbursement rates, which is similar to laws enacted by a substantial majority of States, is preempted by ERISA, in contravention of this Court's precedent that ERISA does not preempt rate regulation.

CERT. GRANTED 1/10/2020