

HCTN Employer Actively Changing Minds

Healthcare policy is front and center. Landmark PBM reform legislation passed at the federal level in February, and activity is ramping up across the states. Tennessee—long viewed as a strongly pro-business state—is quietly gaining a reputation for legislative protectionism.



Cindy Dempsey
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While legislators often frame these efforts as targeting pharmacy benefit managers (PBMs)—which many argue threaten the viability of independent pharmacies—the downstream impact frequently falls on self-funded employer health plans and their members.

The recent **PBM Ownership Fair Rx Act** is a prime example. Modeled after an Arkansas law currently blocked in court, the Tennessee legislation challenges PBM vertical integration by prohibiting PBMs operating in the state from owning pharmacies. While this may sound appealing on the surface, the likely result for commercial plans is disruption—particularly for mail-order and specialty pharmacy—and higher costs as employers lose access to lowest-net-cost pricing arrangements.

Cindy Dempsey, Director of Total Rewards at Genesco, joined HCTN's Phil Belcher and Jeff Townsend in Nashville to raise these concerns directly with state legislators during TEBA's Hill Day on March 3. Lawmakers were receptive to hearing how the legislation could affect a large Tennessee employer.

HCTN is working to create additional opportunities for employers to share their perspectives on healthcare legislation. More to come.