



**N.C. DEPARTMENT OF INSURANCE**

MIKE CAUSEY, COMMISSIONER



**ATTORNEY GENERAL**

JEFF JACKSON

February 17, 2026

To: PBM NAME  
Attn: CONTACT PERSON  
Email: EMAIL ADDRESS

Re: North Carolina SL 2025-69 (SCRIPT Act)

**VIA EMAIL ONLY**

Dear (CONTACT PERSON or “Pharmacy Benefit Manager”??)

Pharmacy Benefit Managers (PBMs) have played a central role in the U.S. pharmaceutical supply chain since their emergence in the 1960s. The PBM role expanded significantly in the 1980s and 1990s through mergers, acquisitions, and integration with insurers and pharmacy chains. By the 2000s, PBMs were negotiating directly with drug manufacturers, and setting formularies for millions of North Carolinians.

Originally designed to streamline prescription drug claims and reduce costs for insurers, PBMs have evolved into powerful intermediaries that influence drug pricing, access, and pharmacy reimbursement. Currently, a handful of PBMs control nearly 80% of the 6.6 billion prescription drugs dispensed in the U.S. Consolidation, increased market power and influence have raised concerns about PBMs’ lack of transparency, and their impact on the affordability and access to medications for millions of North Carolinians.<sup>1</sup>

In response to these concerns, the North Carolina General Assembly (General Assembly) has passed several laws to bolster and expand the legal and regulatory framework and enforcement authority of the North Carolina Department of Insurance (NCDOI) over PBMs. Additionally, the laws strengthen the North Carolina Department of Justice’s (NCDOJ) ability to investigate PBMs and if appropriate, pursue legal action against deceptive or anti-competitive PBM practices.

In July 2025, North Carolina enacted SL 2025-69 (SCRIPT Act) in a continuing effort to address PBM practices which include:

- Pharmacy Choice Protections:** PBMs must allow any willing pharmacy to participate in their networks, PBMs cannot require that an insured purchase prescription drugs exclusively through a

<sup>1</sup> See, Fed. Trade Comm'n, *Pharmacy Benefit Managers: The Powerful Middlemen Inflating Drug Costs and Squeezing Main Street Pharmacies*, Interim Staff Report (July 2024). [https://www.ftc.gov/system/files/ftc\\_gov/pdf/pharmacy-benefit-managers-staff-report.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/pharmacy-benefit-managers-staff-report.pdf).

mail-order pharmacy or, except under certain conditions, impose a monetary advantage or penalty under a health benefit plan that would affect an insured's choice of pharmacy. (See, G.S. § 58-56A-3(f) applying G.S. § 58-51-37 to PBMs.)

- **Rebate Pass-Through:** PBMs are required to reduce an insured's cost sharing amount at the point of sale by 90% of all rebates received, or to be received. G.S. § 58-3-182.
- **PBM Reporting requirements:** PBMs must report to NCDOI each year certain information related to prescription drug benefits including, aggregate fees and rebates, reimbursements to affiliate pharmacies, retroactive charges and spread pricing aggregates ensuring transparency in delivery of prescription drugs. G.S. § 58-56A-22. (See also, G.S. § 58-56A-6; PBM spread pricing reports to insurers)
- **Strengthen Pharmacy Audit Protections:** The General Assembly codified and strengthened the existing audit rules for PBMs and Pharmacies under Part 8 of Article 50 of Chapter 58 of the General Statutes furthering bolstering NCDOI's regulatory and enforcement authority over PBMs. G.S. § 58-50-400, et seq.
- **Support for Independent Pharmacies:** Reimbursement rates for an independent pharmacy or any pharmacy in a pharmacy desert must be, at a minimum, acquisition cost for the covered drug, device or service. G.S. § 58-56A-4.

In addition to enhanced regulatory requirements, the General Assembly codified that all requirements relating to the coverage of prescription drugs and pharmacy services under Chapter 58 applicable to health benefit plans are applicable to PBMs. Further, PBMs are subject to examination, investigation and enforcement under Article 63, Unfair Trade Practices. G.S. § 58-56A-55.

Along with its overarching requirements, the SCRIPT Act explicitly designates violations of several key provisions as unfair and deceptive trade practices under both Article 63 of Chapter 58 and Article 1 of Chapter 75 of the North Carolina General Statutes. These provisions include:

- G.S. 58-56A-4 – Contract reimbursement requirements.
- G.S. 58-56A-20 – PBM affiliate transparency.
- G.S. 58-56A-55 – Health benefit plan requirements.
- G.S. 58-50-429 – Pharmacy audit protections.
  - *Effective January 1, 2026; applies to audits conducted on or after that date*
- G.S. 58-3-182 – Consumer protections.<sup>2</sup>

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<sup>2</sup> It is important to note that the authority to pursue actions under Article 63 or Chapter 75 does not require explicit statutory authorization within each provision. The DOI retains broad authority to initiate Unfair Trade Practices actions against any entity engaged in the business of insurance under Chapter 58, including PBMs (see, G.S. 58-56A-55; 58-63-10). Additionally, Chapter 75 provides NCDOJ with authority and discretion to seek remedy for unfair or deceptive actions (UDTP) related to any act or

- *Effective January 1, 2027; applies to drugs purchased by insureds on or after that date*

The NCDOI and NCDOJ are focused on promoting a robust, transparent and stable insurance market while also ensuring the safety and fair treatment of North Carolina consumers. North Carolina's SCRIPT Act represents a shift toward PBM transparency, accountability and consumer protections. By empowering NCDOI with greater regulatory oversight and enforcement and engaging the NCDOJ to work with NCDOI to enforce the law, the State is taking a proactive stance to ensure fairer drug pricing and broader pharmacy access for its residents. The NCDOI and NCDOJ will uphold the legislative mandate of the General Assembly and, where warranted, will pursue all available remedies under law.

We appreciate your attention to this matter and look forward to working collaboratively to implement the SCRIPT Act and ensure that North Carolinians have access to affordable, high-quality prescription drugs, pharmacy services, and devices.



Mike Causey  
North Carolina Insurance Commissioner



Jeff Jackson  
North Carolina Attorney General

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contract that affects commerce in North Carolina including insurance issues. Unfair and deceptive acts in the insurance industry are not exclusively enforced under article 63 of Chapter 58, but are also actionable under G.S. 75-1.1. *Country Club of Johnston Cnty., Inc. v. U.S. Fid. & Guar. Co.*, 135 N.C. App. 159, 165, 519 S.E.2d 540, 545 (1999), review denied, 351 N.C. 352, 542 S.E.2d 207 (2000).