

January 7, 2026

Trevor Graff, Government Affairs Director
Montana Office of Securities and Insurance
840 Helena Avenue
Helena, MT 59601

Submitted via email: CSIPublicComment@mt.gov

RE: Comments on development of administrative rules to implement 2025 House Bill 740

Dear Mr. Graff:

The Montana Hospital Association is a nonprofit organization with more than eighty members that provide the full spectrum of healthcare services, including hospital inpatient and outpatient services, skilled nursing facilities, home health, hospice, physician services, assisted living, senior housing and insurance services. We represent every one of Montana's 65 acute care hospitals, which range from the smallest critical access hospitals providing primary care services in Montana's frontier communities, to the largest tertiary care hospitals in our rural state.

MHA appreciates the opportunity to comment on the implementation of House Bill 740 passed during the 2025 legislative session. We are encouraged that the Commissioner is considering potential rules to address the negative impacts since the implementation of this new law.

As you know, this new law requires that a minimum dispensing fee of \$15 be paid to independent pharmacies whenever a prescription is filled at these pharmacies. We believe the intent of this law was to enhance the payment to these smaller pharmacies by requiring pharmacy benefit managers (PBMs) to pay the fee, reflecting the higher costs of independent pharmacies in rural communities. Rather, PBMs are passing the fee on to patients by classifying it as a "co-pay" that the patient must pay directly to the pharmacy when receiving their prescriptions.

With the \$15 dispensing fee being applied by the patients' health insurance as a co-pay, hospital pharmacies are required to collect that payment from the patient, increasing the out-of-pocket costs for patients who choose to use our pharmacies. The method by which health insurance has implemented will drive patients to the large pharmacies where the dispensing fee in HB740 does not apply, hurting the independent pharmacies and their ability to operate in remote parts of Montana. In many communities across Montana, the only pharmacy is an independent pharmacy.

In these communities, preventative prescriptions that were once \$0 out-of-pocket costs now cost the patient at least \$15, making it difficult for some patients to afford their life-saving medications.

Both patients and hospitals operating independent pharmacies have been negatively impacted by this practice. The response of PBMs to this law is worsening the problem of access to and affordability of prescription drugs in rural communities—not improving it.

We urge the Commissioner to use his rulemaking authority to protect consumers and clarify that the independent pharmacy dispensing fee is not the responsibility of the patient but rather is the responsibility of the PBM.

MHA appreciates your attention to the complex rulemaking requirements for HB 740. We are grateful for the opportunity to submit comments. If you have any questions, please contact Duane Preshinger, Senior Vice President of Policy and Government Relations, at duane@mtha.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Ed Buttrey". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Ed Buttrey
President and CEO