

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF IOWA
CENTRAL DIVISION**

OPTUMRX, INC., UNITED
HEALTHCARE SERVICES, INC.,
UMR, INC., UNITEDHEALTHCARE
INSURANCE COMPANY,
UNITEDHEALTHCARE PLAN OF
THE RIVER VALLEY, INC., and
GOLDEN RULE INSURANCE
COMPANY,

Plaintiffs,

v.

DOUG OMMEN, in his official capacity
as Iowa Commissioner of Insurance,

Defendant.

No. _____

**COMPLAINT FOR INJUNCTIVE
AND DECLARATORY RELIEF**

Plaintiffs OptumRx, Inc., United HealthCare Services, Inc. (**UHS**), UMR, Inc., UnitedHealthcare Insurance Company (**UHIC**), UnitedHealthcare Plan of the River Valley, Inc. (**UHC River Valley**), and Golden Rule Insurance Company (**Golden Rule**) file this complaint against Defendant Doug Ommen, in his official capacity as Iowa Commissioner of Insurance, and allege as follows:

NATURE OF ACTION

1. This action challenges the legality of a newly enacted Iowa law known as Senate File 383 (**SF 383**), which regulates pharmacy benefit managers (**PBM**s), health-benefit plans, and those who sponsor, administer, or participate in those plans. SF 383 upends the prescription-drug coverage that Iowans receive and prevents health-benefit plans from communicating cost-saving information about one

pharmacy over another. Federal law preempts that interference, and the First Amendment prohibits SF 383's speech restrictions. SF 383 harms United, OptumRx and the fully insured and self-funded health plans and Iowans that they serve. That warrants injunctive relief.

2. SF 383 adds far-reaching, draconian, and expensive new measures to existing Title XIII, subtitle 1, Chapter 510B of the Iowa Code (Regulation of Pharmacy Benefit Managers) through sweeping regulations on PBMs, health insurers, ERISA-governed and non-ERISA-governed employee health-benefit plans, and many other entities that administer health benefits to Iowans or affect prescription-drug benefits generally.

3. The Iowa Senate and House of Representatives passed SF 383 on April 28, 2025, and May 12, 2025, respectively, and Iowa Governor Kim Reynolds signed it into law on June 11, 2025. Plaintiffs seek an injunction halting enforcement of SF 383's amendments to Chapter 510B. A copy of SF 383 is attached as Exhibit 1.

4. SF 383 violates the law in several independent ways. The Employee Retirement Income Security Act of 1974 (**ERISA**), 29 U.S.C. § 1001 *et seq.*, preempts SF 383 because it has an impermissible "connection with" or "reference to" ERISA-governed fully insured and self-funded health plans. And the First Amendment to the U.S. Constitution likewise invalidates portions of SF 383 as applied to both ERISA-governed fully insured and self-funded plans as well as non-ERISA governed health plans. Moreover, the Court cannot workably sever the

illegal provisions from SF 383's remaining provisions, requiring the Court to invalidate it in whole.

5. On July 21, 2025, in a separate but related lawsuit, this Court concluded that significant portions of SF 383 are likely illegal and invalid and preliminarily enjoined SF 383's enforcement against the named plaintiffs and their agents or contractors. *See Iowa Ass'n of Bus. & Indus. v. Ommen* ("ABI"), No. 4:25-cv-00211, --- F. Supp. 3d ---, 2025 WL 2888377 (S.D. Iowa July 21, 2025) (Rose, C.J.).

6. Citing *Trump v. CASA, Inc.*, 606 U.S. 831 (2025), this Court ruled that its injunction does not extend to entities who were not parties before the Court in *ABI*, except for the named plaintiffs' contractors and agents. *Id.* at *43–44. But this Court did not preclude non-parties from challenging the Commissioner's future enforcement efforts.

7. The Commissioner appealed this Court's preliminary injunction in *ABI* to the Eighth Circuit, and the *ABI* plaintiffs cross-appealed. Those appeals are pending. *See Iowa Ass'n of Bus. & Indus. v. Iowa Ins. Comm'r*, Nos. 25-2494, 25-2591 (8th Cir.).

8. *ABI* has left non-parties in a quandary—can the Commissioner legitimately enforce SF 383 against the numerous entities not subject to this Court's injunction? The answer should be no. The Court invoked ERISA preemption and relied on the First Amendment in enjoining portions of SF 383. The grounds on which the Court invalidated substantial portions of SF 383 also protect those beyond *ABI*'s named and related parties.

9. In fact, shortly after this Court’s injunction in *ABI*, the Commissioner did not enforce SF 383 against OptumRx, UHS, UMR, UHIC, UHC River Valley, Golden Rule, or their subsidiaries and affiliates (together, **United**). Given the prospect of Eighth Circuit review, the newness of *Trump v. CASA* and its teachings on the limits of universal injunctions, and the strong legal case for applying the Court’s substantive holdings in *ABI* to non-parties to that case, OptumRx and United appreciated that the Commissioner had not taken steps to enforce SF 383 against non-parties.

10. But the situation has changed. On September 24, 2025, the Commissioner issued Bulletin 25-06 to “All Pharmacy Benefit Managers (‘PBMs’), Third-Party Payors, and Pharmacies Certified and Licensed to Do Business in the State of Iowa” regarding the “Prohibited Use of Deceptive and Unfair Practices and Implementation of SF 383.” A copy of the Bulletin is attached as Exhibit 2. In the Bulletin, the Commissioner announced his intent to enforce SF 383 “in its entirety against all entities that are not plaintiffs in *ABI v. Ommen*.” Exhibit 2 at 12. The Commissioner also announced that “[v]iolations of SF 383 would also constitute violations of the Iowa Insurance Trade Practices Act.” *Id.* at 16.

11. On October 8, 2025, the Commissioner reiterated his position in a letter to interested parties, attached as Exhibit 3, including his belief that he is “obligated to enforce” SF 383 in its entirety against regulated entities who are not covered by the injunction in *ABI*. Exhibit 3 at 1.

12. This Court's *ABI* order enjoins enforcement of SF 383 against OptumRx and United vis-à-vis their provision of services to the plaintiffs in *ABI*. But it remains unclear whether this Court's injunction protects OptumRx and United inasmuch as they contract with or provide services to health-benefit plans of similarly situated plan sponsors who are not parties to *ABI* or *ABI* members. The appropriate scope of the preliminary injunction should include the entirety of Plaintiffs' services in Iowa—including OptumRx's provision of pharmacy benefit management services to United as both a health-insurance provider and an administrator of health-benefit plans, United's provision of services as a health-insurance provider, third-party payor, and administrator of health-benefit plans, and OptumRx's provision of services to non-United clients such as health-benefit plans and other insurance providers. That lack of clarity prompted this Complaint.

13. The Commissioner's statements in Bulletin 25-06 and his later letter present an explicit and immediate threat that Plaintiffs will face enforcement actions if they do not follow SF 383's unconstitutional and invalid regulations.

14. SF 383 directly and substantially harms Plaintiffs by subjecting them to unlawful and unconstitutional regulations. And SF 383 financially harms not just Plaintiffs but also the Iowans that they serve. Further, the Commissioner's enforcement of SF 383 wastes resources, carries potential monetary penalties, and risks Plaintiffs' licensure in the State of Iowa. And it forces those who contract with Plaintiffs to act contrary to plan terms, directions, legal obligations, and fiduciary obligations under ERISA. Likewise, complying with SF 383 will make Plaintiffs

contractually liable for administering their clients' plans contrary to their terms, directions, and legal obligations.

15. SF 383 also harms non-ERISA-governed plans because it subjects Plaintiffs to a costly prescription dispensing fee that the Court found inseverable from invalid provisions of SF 383 that likely violated the First Amendment. The Court's holding should apply to all groups and individuals that enjoy First Amendment protections—including non-ERISA-governed health plans.

16. The clear inconsistency between clients covered by the *ABI* injunction and those subject to the application of SF 383 makes drafting prospective plans and policies impossible and unfair.

17. Accordingly, SF 383 implicates all Plaintiffs' clients and their governing contracts and policies currently subject to renewal.

18. Plaintiffs file this action to obtain, at a minimum, the injunctive relief already afforded to the parties in *ABI*. Plaintiffs raise the same ERISA-preemption and First Amendment claims brought in *ABI* and preserve their right to all relief consistent with the Eighth Circuit's ultimate ruling in *ABI*. Accordingly, Plaintiffs will promptly seek a preliminary injunction enjoining enforcement of the same provisions of SF 383 enjoined in *ABI*—plus one additional provision—as applied to OptumRx and United and the plans and policies they serve, provide, or administer not already covered under *ABI*. Likewise, Plaintiffs will ultimately ask this Court to enjoin and declare illegal all parts of SF 383, consistent with the Eighth Circuit's

ultimate ruling, as applied to Plaintiffs and the plans and policies that Plaintiffs serve, provide, or administer.

19. The relief that Plaintiffs seek will prevent piecemeal complaints filed in this Court to extend the *ABI* ruling to non-parties to *ABI*.

20. Plaintiffs hoped to avoid filing this lawsuit, but the Commissioner's recent statements and Plaintiffs' own interests and the interests of the groups and individuals to whom they provide their services and the limited nature of injunctive relief in *ABI* now require the Court's additional intervention. SF 383 affects OptumRx, one of Iowa's largest PBMs, and United, one of Iowa's largest health insurers and plan administrators. Plaintiffs seek to protect the health care coverage of affected Iowa citizens and residents from the Legislature's costly trespass into an exclusively federal domain and violation of federal constitutional rights. This Court should issue an injunction halting and declaring illegal the Commissioner's enforcement of SF 383 with respect to Plaintiffs and the plans and policies they serve that *ABI* does not otherwise cover.

PARTIES

21. Plaintiff OptumRx, Inc. is a California corporation with its headquarters in Minnesota. OptumRx is registered to do business in Iowa. OptumRx is a PBM that administers prescription-drug benefits for numerous companies and health plans in Iowa—including United and non-United clients—and in doing so services hundreds of thousands of Iowans.

22. Many Iowa employers sponsor for their employees ERISA-governed fully insured health plans, which use OptumRx as their PBM. Similarly, many employers

who offer ERISA-governed self-funded health plans contract with OptumRx or for OptumRx services to assist in the administration of their ERISA-governed self-funded plans. Similarly, many non-ERISA-governed plans use OptumRx. Also, many individual Iowans use OptumRx services through individual policies.

23. Plaintiff United HealthCare Services, Inc. is a Minnesota corporation with its headquarters in Minnesota. UHS is registered to do business in Iowa. UHS administers health-benefit plans for numerous Iowans through self-funded employer plans. UHS uses OptumRx to administer pharmacy benefits to these self-funded plans.

24. Plaintiff UMR, Inc. is a Delaware corporation with its headquarters in Wisconsin. UMR is registered to do business in Iowa and is an insurance producer business entity licensed in Iowa. UMR administers health-benefit plans for numerous Iowans through self-funded employer plans. UMR uses OptumRx to administer pharmacy benefits to these self-funded plans.

25. Plaintiff UnitedHealthcare Insurance Company is a Minnesota corporation with its headquarters in Minnesota. UHIC is an insurance company licensed in Iowa. UHIC provides fully insured group plans for small and large businesses in Iowa. UHIC uses OptumRx to administer pharmacy benefits for its plans.

26. Plaintiff UnitedHealthcare Plan of the River Valley, Inc. is an Illinois corporation with its headquarters in Illinois. UHC River Valley is registered to do business in Iowa and is an insurance company licensed in Iowa. UHC River Valley

provides fully insured individual exchange plans for individuals in Iowa and fully insured group plans for small and large businesses in Iowa. UHC River Valley uses OptumRx to administer pharmacy benefits for its plans.

27. Plaintiff Golden Rule Insurance Company is an Indiana corporation with its headquarters in Indiana. Golden Rule is an insurance company licensed in Iowa. Golden Rule provides individual health plans and short-term limited-duration health insurance to Iowans and fully insured health plans to select Iowa businesses. Golden Rule uses OptumRx to administer pharmacy benefits for its plans.

28. UHS, UMR, UHIC, UHC River Valley, Golden Rule, and their subsidiaries and affiliates (together, **United**) offer or administer health-benefit plans and pharmacy benefits to hundreds of thousands of Iowans. United uses PBMs like OptumRx to manage prescription-drug benefits for their fully insured ERISA-governed health plans, self-funded ERISA-governed health plans, and individual health plans.

29. Defendant Doug Ommen is the Commissioner of Insurance for the State of Iowa. The Commissioner's principal place of business is 1963 Bell Avenue, Suite 100, Des Moines, Iowa 50315. Plaintiffs sue the Commissioner only in his official capacity.

30. The Commissioner and those subject to his supervision, direction, or control are responsible for enforcing Iowa Code Chapter 510B, including SF 383.

JURISDICTION & VENUE

31. This Court has subject-matter jurisdiction over this action under 28 U.S.C. § 1331 because Plaintiffs' claims arise under the U.S. Constitution's

Supremacy Clause and its First and Fourteenth Amendments and 42 U.S.C. §§ 1983 and 1988.

32. This Court has personal jurisdiction over the Commissioner because he resides within and has continuous and systematic contacts in Iowa.

33. Plaintiffs have standing to bring this action because they manage prescription-drug benefits and OptumRx provides home-delivery pharmacy services for and on behalf of Iowa fully insured plans, self-funded health plans, individual plans, and Iowa residents. Plaintiffs are pharmacy benefit managers as defined under Chapter 510B. United is also a health carrier and third-party payor as defined under Chapter 510B, and United serves as a contractor and agent for other third-party payors whose health benefit plans it insures and administers. Plaintiffs will suffer direct and adverse impacts from the application and enforcement of SF 383.

34. Venue is proper under 28 U.S.C. § 1391 because events giving rise to the suit occurred in this District, the Commissioner resides in this District, the Commissioner implements and enforces SF 383 within this District, and SF 383 applies to Plaintiffs, health-benefit plans, third-party payors, and other PBMs and entities in this District.

BACKGROUND

A. OptumRx and United

35. United and its affiliates offer a variety of health insurance products and services, including insurance policies for fully insured commercial health plans and administrative services for employer-sponsored self-funded benefit plans. United contracts with OptumRx to provide pharmacy benefit services to United's fully

insured and self-funded plans and other clients for which United serves as an administrator.

36. OptumRx is a PBM. As a PBM, OptumRx administers prescription-drug benefits for numerous fully insured and self-funded health plans in Iowa, including for United and its clients. OptumRx's services include, among other things, processing claims and payments for covered prescription drugs, managing drug formularies and drug costs, and establishing and maintaining pharmacy networks through which individuals in health-benefit plans can access covered prescription drugs at lower cost.

37. OptumRx plays a critical role in providing lower-cost prescription drugs to millions of Americans by working on a nationwide scale to simplify the pharmacy experience for patients through pharmacy benefit management services and home delivery pharmacy dispensing services. For example, OptumRx works with pharmacies to negotiate reimbursement, and they pass those savings on to health plan sponsors and their members. OptumRx also leverages its size to negotiate volume discounts with drug manufacturers—discounts larger than those any individual plan could secure. And the network of pharmacies that OptumRx creates ensures that the health plan members OptumRx services can easily access necessary drugs at an affordable rate. To provide those benefits, OptumRx contracts with sponsors of fully insured and self-funded health plans. OptumRx also contracts with pharmacies to dispense covered prescriptions to the members of the plans it

administers. Through these contracts, OptumRx provides pharmacy benefits to hundreds of thousands of Iowans.

38. Plan sponsors contract with OptumRx as a PBM to provide prescription-drug benefits to covered individuals because those benefits substantially enhance the experiences of health-plan members. OptumRx enables plan sponsors to offer prescription-drug benefits more efficiently to their members and ensures that those members receive safe and effective medications at an affordable cost and in a timely manner. Extensive federal and state regulations govern these providers and administrators, requiring them to work diligently with local, state, and federal officials to ensure compliance with all applicable rules, regulations, and laws.

B. Iowa Code Chapter 510B and SF 383

39. Iowa Code Chapter 510B, as enacted in 2007 and effective January 1, 2008, addresses PBMs doing business in Iowa.

40. Before SF 383's enactment, Chapter 510B's scope was limited. Apart from SF 383, Chapter 510B requires a PBM doing business in Iowa to obtain a certificate as a third-party administrator and to comply with the requirements on third-party administrators under that chapter. *See* Iowa Code § 510B.2. In addition, Chapter 510B imposes on PBMs—and only PBMs, not health-benefit plans—certain other standards and requirements, including good-faith conduct and conflict-of-interest standards when dealing with health-benefit plans; prohibitions on retaliation against pharmacies for exercising rights under Chapter 510B; authorizations for the substitution of generic drugs for a prescribed drug; authorizations for PBMs to contact individuals seeking to fill prescriptions; and

requirements that PBMs publish cost lists to pharmacies. In 2014, the Eighth Circuit invalidated certain amendments to Chapter 510B because ERISA preempted them. *See Pharm. Care Mgmt. Ass'n v. Gerhart*, 852 F.3d 722, 730–32 (8th Cir. 2017).¹

41. The Iowa Legislature enacted SF 383, which took effect on July 1, 2025. SF 383 amended and added additional provisions within Chapter 510B.

42. SF 383 greatly expands Iowa's regulation of PBMs and adds extensive new restrictions and prohibitions directly on health-benefit plans, health carriers, and third-party payors that provide prescription drug benefits to covered persons within Iowa.

43. On its face, SF 383 purports to regulate PBMs, third-party payors, health-benefit plans, and their sponsors, fiduciaries, administrators, service providers, and covered persons. It does so at great cost to all entities involved, with credible estimates placing the cost of SF 383's various measures at possibly more than \$300 million annually for the Iowa health-benefits-plan community.² But ERISA comprehensively, uniformly, and largely exclusively regulates the provision of health

¹ The amendment to Iowa Code § 510B.8(1) required PBMs to report to the Commissioner and network pharmacies their methodologies for establishing reimbursement amounts paid to pharmacies, (2) limited PBMs' ability to obtain pricing information, (3) restricted the class of drugs for which PBMs could establish maximum reimbursement limits, and (4) required PBMs to include in contracts with pharmacies provisions allowing pharmacies to contest and appeal reimbursement rates. *Gerhart*, 852 F.3d at 727. The Eighth Circuit held that ERISA preempted these provisions. *Id.* at 730.

² Jason Clayworth, *Iowa Groups Urge Reynolds to Veto Pharmacy Reform Bill*, Axios Des Moines (May 14, 2025), <https://www.axios.com/local/des-moines/2025/05/14/iowa-pharmacy-benefit-manager-reform-pbm>.

benefits for most of the State's, and the nation's, population. SF 383 even goes so far as to both compel and restrict commercial speech to further its objectives.

44. The Iowa Legislature enacted SF 383 to help a narrow constituency—rural retail pharmacies that the Legislature deemed threatened by national-chain and mail-order pharmacies and the PBMs with whom those chain and mail-order pharmacies sometimes affiliate.

45. Chapter 510B, whose definitions govern SF 383, defines “Pharmacy benefits manager” as “a person who, pursuant to a contract or other relationship with a third-party payor, either directly or through an intermediary, manages a prescription drug benefit provided by third-party payor.” Iowa Code § 510B.1(15). “Prescription drug benefit” is defined as “a health benefit plan providing for third-party payment or prepayment for prescription drugs.” Iowa Code § 510B.1(19). “Third-party payor” is defined, with some exceptions not relevant here, as “any entity other than a covered person or a health care provider that is responsible for any amount of reimbursement for a prescription drug benefit” and expressly includes “health carriers and other entities that provide a plan of health insurance or health care benefits.” Iowa Code § 510B.1(22). “Covered person” is defined as “a policyholder, subscriber, or other person participating in a health benefit plan that has a prescription drug benefit managed by a pharmacy benefits manager.” Iowa Code § 510B.1(4). “Health benefit plan” is defined as “a policy, contract, certificate, or agreement offered or issued by a third-party payor to provide, deliver, arrange for, pay for, or reimburse any of the costs of health care services.” Iowa Code § 510B.1(6).

“Health carrier” is defined as “an entity subject to the insurance laws and regulations of this state, or subject to the jurisdiction of the commissioner, including an insurance company offering sickness and accident plans, a health maintenance organization, a nonprofit health service corporation, or a plan established pursuant to chapter 509A for public employees.” Iowa Code § 510B.1(9).

46. Under those definitions, both OptumRx and United assist in the provision of private employers’ coverage for their employees (and the employees’ dependents), making them both pharmacy benefits managers within Chapter 510B’s and SF 383’s scope. Employers and other group plans offer health benefits to their employees and covered persons, whose coverage constitutes health benefit plans within Chapter 510B’s and SF 383’s scope. United insures, underwrites, and administers health benefits coverage and plans for plan sponsors and their covered persons, making it a health carrier within Chapter 510B’s and SF 383’s scope. United is also responsible for reimbursements for prescription drug benefits, making it a third-party payor within Chapter 510B’s and SF 383’s scope. OptumRx contracts with health carriers, including United, within Chapter 510B’s and SF 383’s scope. OptumRx and United also contract with third-party payors within Chapter 510B’s and SF 383’s scope, whose coverage for their beneficiaries constitutes a health benefit plan for covered persons within Chapter 510B’s and SF 383’s scope.

47. SF 383 contains, among others, the following provisions, with bold notation for the entities and persons to whom the provision directly applies, as well as a shorthand description of the topic or type of provision at issue:

Section	Language	Topic/Type of Provision
SF 383 § 2, new Iowa Code § 510B.4(4).	Adds an overarching anti-discrimination principle that states: “ A pharmacy benefits manager, health carrier, health benefit plan, or third-party payor shall not discriminate against a pharmacy or a pharmacist with respect to participation, referral, reimbursement of a covered service, or indemnification if a pharmacist is acting within the scope of the pharmacist’s license, as permitted under state law, and the pharmacy is operating in compliance with all applicable laws and rules.”	Anti-discrimination provision, including anti-referral element.
SF 383 § 3, new Iowa Code §510B.4B(1)(a).	Restricts PBM s, “[i]f a pharmacy or pharmacist has agreed to participate in a covered person’s health benefit plan ,” from “prohibit[ing] or limit[ing] the covered person from selecting a pharmacy or pharmacist of the covered person’s choice, or impos[ing] a monetary advantage or penalty that would affect a covered person’s choice[with a] monetary advantage or penalty includ[ing] a copayment or coinsurance variation, a reduction in reimbursement for services, a promotion of one participating pharmacy over another, or comparing the reimbursement rates of a pharmacy against mail order pharmacy reimbursement rates.”	Provision limiting guiding covered persons to preferred pharmacies, including anti-promotion element.
SF 383 § 3, new Iowa Code § 510B.4B(1)(b).	Adds an any-willing-provider provision prohibiting PBM s from “[d]eny[ing] a pharmacy or pharmacist the right to participate as a contract provider under a health benefit plan if the pharmacy or pharmacist agrees to provide pharmacy services that meet the terms and requirements of the health benefit plan and the pharmacy or pharmacist agrees to the terms of reimbursement set forth by the third-party payor for similarly classified pharmacies.”	Any-willing-pharmacy provision applicable to PBM s.

Section	Language	Topic/Type of Provision
SF 383 § 3, new Iowa Code § 510B.4B(1)(c).	Prohibits PBMs from “[i]mpos[ing] upon a pharmacy or pharmacist, as a condition of participation in a third-party payor network, any course of study, accreditation, certification, or credentialing that is inconsistent with, more stringent than, or in addition to state requirements for licensure or certification, and the administrative rules adopted by the board of pharmacy.”	Pharmacy-accreditation standard for network participation.
SF 383 § 3, new Iowa Code § 510B.4B(1)(d).	Restricts PBMs from “[u]nreasonably designat[ing] a prescription drug as a specialty drug ³ to prevent a covered person from accessing the prescription drug, or limiting a covered person’s access to the prescription drug, from a pharmacy or pharmacist that is within the health carrier’s network” and adds an enforcement provision under which “[a] covered person or pharmacy harmed by an alleged violation of this paragraph may file a complaint with the commissioner, and the commissioner shall, in consultation with the board of pharmacy, make a determination as to whether the covered prescription drug meets the definition of a specialty drug.”	Open-access standard for specialty drugs, with enforcement provision.
SF 383 § 3, new Iowa Code § 510B.4B(1)(e).	Prohibits PBMs from “require[ing] a covered person , as a condition of payment or reimbursement, to purchase pharmacy services, including prescription drugs, exclusively through a mail order pharmacy.”	Prohibition on mail-order exclusivity.

³ SF 383 defines “Specialty drug” as “a drug used to treat chronic and complex, or rare medical conditions and that requires special handling or administration, provider care coordination, or patient education that cannot be provided by a nonspecialty pharmacy or pharmacist.” New Iowa Code § 510B.1(21B).

Section	Language	Topic/Type of Provision
SF 383 § 3, new Iowa Code § 510B.4B(1)(f).	Prohibits PBMs from “[i]mpos[ing] upon a covered person a copayment, reimbursement amount, number of days of a prescription drug supply for which reimbursement will be allowed, or any other payment or condition relating to purchasing pharmacy services from a pharmacy that is more costly or restrictive than would be imposed upon a covered person if such pharmacy services were purchased from a mail order pharmacy.”	Cost-sharing equivalence for mail-order pharmacies.
SF 383 § 3, new Iowa Code § 510B.4B(2)(a).	Requires that “[i]f a third-party payor providing reimbursement to covered persons for prescription drugs restricts pharmacy participation [in its network], the third-party payor shall notify, in writing, all pharmacies” of “the opportunity to participate in the health benefit plan at least sixty days prior to the effective date of the health benefit plan restriction” and also mandates that “[a]ll pharmacies in the geographical coverage area of the health benefit plan shall be eligible to participate under identical reimbursement terms for providing pharmacy services and prescription drugs.”	Any-willing-pharmacy provision applicable to third-party payors, with accompanying notice requirement.
SF 383 § 3, new Iowa Code § 510B.4B(2)(b).	Requires that “[t]he third-party payor shall inform covered persons of the names and locations of all pharmacies participating in the health benefit plan as providers of pharmacy services and prescription drugs.”	Notice requirement to covered persons about in-network pharmacies.
SF 383 § 3, new Iowa Code § 510B.4B(4).	Adds enforcement measure providing that “[a] covered person or pharmacy injured by a violation of [§ 3 of SF 383] may maintain a cause of action to enjoin the continuation of the violation.”	Enforcement provision.
SF 383 § 4, new Iowa Code § 510B.8(3).	Requires that a PBM “shall not impose different cost-sharing or additional fees on a covered person based on the pharmacy at which the covered person fills the prescription drug order.”	Cost-sharing equivalence at all pharmacies.

Section	Language	Topic/Type of Provision
SF 383 § 4, new Iowa Code § 510B.8(4).	Requires that “[f]or the purpose of reducing premiums, one hundred percent of all rebates received by a pharmacy benefits manager shall be passed through to the health carrier , or to the employee plan sponsor as permitted by” ERISA.	Pass through by PBM of all rebates.
SF 383 § 4, new Iowa Code § 510B.8(5).	Requires that PBM s “shall include any amount paid by a covered person , or on behalf of a covered person , when calculating the covered person ’s total contribution toward the covered person ’s cost-sharing.”	Credit for cost-sharing, irrespective of source of funds.
SF 383 § 4, new Iowa Code § 510B.8(6).	Requires that “[a]ny amount paid by a covered person for a prescription drug shall be applied to any deductible imposed on the covered person by the covered person ’s health benefit plan in accordance with the health benefit plan ’s coverage documents.”	Credit toward deductible, in amount covered person pays.
SF 383 § 4, new Iowa Code § 510B.8(7).	Requires that “[i]f a covered person ’s policy, contract, or plan providing for third-party payment or prepayment of health or medical expenses qualifies as a high-deductible health plan under . . . the Internal Revenue Code, [then] a copayment, coinsurance, or deductible paid by the covered person ” shall not count amounts from other sources until “after the covered person satisfies the covered person ’s minimum deductible,” otherwise “the covered person [would] becom[e] ineligible for a health savings account.”	Cost-sharing rules for high-deductible health-plans.
SF 383 § 5, amended Iowa Code § 510B.8B(1).	Requires a PBM to reimburse all pharmacies no less than the PBM reimburses an “affiliate for dispensing the same prescription drug.”	PBM’s reimbursement rate for all pharmacies to match or exceed PBM affiliates’ rate.

Section	Language	Topic/Type of Provision
SF 383 § 5, amended Iowa Code § 510B.8B(2).	Sets PBM reimbursement rate for retail pharmacies at “most recently published national average drug acquisition cost for the prescription drug on the date that the prescription drug is administered or dispensed” or, if unavailable, “the wholesale acquisition cost.”	Reimbursement rate by PBMs to retail pharmacies at NADAC rate.
SF 383 § 5, amended Iowa Code § 510B.8B(3).	Requires a PBM to “reimburse the retail pharmacy or pharmacist a professional dispensing fee in the amount of ten dollars and sixty-eight cents.” ⁴	Dispensing fee for all prescriptions at retail pharmacies.
SF 383 § 5, amended Iowa Code § 510B.8B(4)(a).	Requires a PBM to “submit a quarterly report to the commissioner of all drugs reimbursed at ten percent or more below the national average acquisition cost,” as well as those at “ten percent or more above” it.	Quarterly reporting to commissioner.
SF 383 § 5, amended Iowa Code § 510B.8B(4)(b).	Requires a PBM to include various items in quarterly report to the commissioner, including month and quantity of the prescription drug, whether dispensing pharmacy was an affiliate of the PBM , and if the drug was dispensed pursuant to a “government health plan.”	Quarterly reporting to commissioner (additional details).
SF 383 § 5, amended Iowa Code § 510B.8B(4)(d).	Requires that “[a] copy of the report shall be published on the pharmacy benefit manager’s public internet site for twenty-four months.”	Internet publication of quarterly report.

⁴ Under SF 383, “Retail pharmacy” means a pharmacy that is not a pharmacy chain or a publicly traded entity, and that does not exclusively provide mail order dispensing of prescription drugs.” New Iowa Code § 510B.1(21A). “Pharmacy chain” means an entity that has twenty or more pharmacies under common ownership or control located in at least twenty or more states.” *Id.* § 510B.1(16A).

Section	Language	Topic/Type of Provision
SF 383 § 6, amended Iowa Code § 510B.8D(1).	Requires that “[a]ll contracts executed, amended, adjusted, or renewed on or after July 1, 2025, that apply to prescription drug benefits on or after January 1, 2026, between a pharmacy benefits manager and a third-party-payor , or between a person and a third-party payor , shall include” the following provisions: (a) “pass-through pricing” ⁵ ; and (b) “[p]ayments received by a [PBM] . . . shall be used or distributed pursuant to the pharmacy benefit manager’s contract with the third-party payor or with the pharmacy.”	Contract terms between third-party payor and PBM.
SF 383 § 6, new Iowa Code § 510B.8D(2).	Requires that SF 383’s mandated changes in contract terms “between a pharmacy benefits manager and a third-party payor ” shall “supersede any contractual terms to the contrary in any contract executed, amended, adjusted, or renewed on or after July 1, 2025, that applies to prescription drug benefits on or after January 1, 2026.”	Supersession of SF 383 over contrary contract terms between third-party payor and PBM.
SF 383 § 7, new Iowa Code § 510B.8E(1)–(3).	Requires that “[a] pharmacy benefits manager shall provide a reasonable process to allow a pharmacy to appeal any matter,” with detailed standards mandated for the appeal.	Enforcement provision.

48. SF 383 “applies to pharmacy benefit managers, health carriers, third-party payors, and health benefit plans that manage a prescription drug benefit in the state on or after July 1, 2025.” SF 383 § 9.

⁵ SF 383 defines “Pass-through pricing” as “a model of prescription drug pricing in which payments made by a third-party payor to a pharmacy benefits manager for prescription drugs are equivalent to the payments the pharmacy benefits manager makes to the dispensing pharmacy or dispensing health care provider for the prescription drugs, including any professional dispensing fee.” New Iowa Code § 510B.1(11B).

49. SF 383’s severability provision states that “[t]he provisions of this division of this Act are severable pursuant to section 4.12.” *Id.* § 8; Iowa Code § 510B.12.

50. Additional enforcement provisions within the Iowa Code further enhance and apply to violations of SF 383. The civil penalties under Iowa Code § 507B.7(1)(a) include “[p]ayment of a civil penalty of not more than one thousand dollars for each act or violation of this subtitle, but not to exceed an aggregate of ten thousand dollars, unless the person knew or reasonably should have known the person was in violation of this subtitle, in which case the penalty shall be not more than five thousand dollars for each act or violation, but not to exceed an aggregate penalty of fifty thousand dollars in any one six-month period. If the commissioner finds that a violation of this subtitle was directed, encouraged, condoned, ignored, or ratified by the employer of the person or by an insurer, the commissioner shall also assess a penalty to the employer or insurer.”

51. Industry analyses of SF 383 estimate that the cost for health benefit plans and covered persons will increase annually by tens of millions of dollars—perhaps by as much as \$340 million annually.⁶

52. Plaintiffs understand that SF 383 amounts to one of the most expensive Iowa legislative enactments ever passed. It will likely cause one of the largest increases in health-benefit-plan costs for Iowa’s third-party payors from any source of legislation—federal or state.

⁶ See Clayworth, *supra*.

53. During the legislative process, the Iowa Legislature emphasized that the bill sought to provide money to local independent pharmacies, particularly in rural areas.⁷ But the new law does much more than that—it shifts costs onto plan providers and covered persons.

C. ERISA Preemption

54. ERISA’s coverage extends to any employee-benefit plan, including any health-benefit plan, established or maintained by a private employer or employee organization (such as a union or association of related employers). 29 U.S.C. § 1003(a)–(b).

55. ERISA governs both self-funded and fully insured plans. With a self-funded plan, the employer carries the risk of benefit payments. With a fully insured plan, the employer purchases an insurance policy that shifts the risk of benefit payment to an insurance company. *See id.* § 1002(1) (an employer may establish a “welfare benefit plan” through “the purchase of insurance or otherwise”).

⁷ *E.g.*, *Senate Video (2025-04-28)* at 04:47:25–04:49:12, 91st Gen. Assemb. (Iowa 2025) (statement of Sen. Klemish), <https://www.legis.iowa.gov/dashboard?view=video&chamber=S&clip=s20250428040306830&dt=2025-04-28&offset=2030&bill=SF%20383&status=i&ga=91>; *House Video (2025-05-12)* at 05:44:13–05:45:22, 91st Gen. Assemb. (Iowa 2025) (statement of Rep. Lundgren), <https://www.legis.iowa.gov/dashboard?view=video&chamber=H&clip=h20250512051355834&dt=2025-05-12&offset=1429&bill=SF%20383&status=r> (May 12, 2025); Gigi Wood, *Businesses Split on PBM Bill Sent to Governor*, *Bus. Rec.* (May 23, 2025), <https://www.businessrecord.com/businesses-split-on-pbm-bill-sent-to-governor/>; Stephen Gruber-Miller, *Iowa Lawmakers Target Prescription Drug Prices, Pharmacy Reimbursements with “PBM” Bills*, *Des Moines Reg.* (Feb. 6, 2025), <https://www.desmoinesregister.com/story/news/politics/2025/02/06/iowa-legislature-targets-pharmacy-benefit-managers-with-pbm-bills-aimed-to-help-costs/78244622007/>.

56. Despite ERISA’s broad coverage, “[n]othing in ERISA requires employers to establish employee benefits plans.” *Lockheed Corp. v. Spink*, 517 U.S. 882, 887 (1996); see *Conkright v. Frommert*, 559 U.S. 506, 516 (2010) (“Congress enacted ERISA to ensure that employees would receive the benefits they had earned, but Congress did not require employers to establish benefit plans in the first place.”). Rather, ERISA leaves employers free “for any reason at any time, to adopt, modify, or terminate [benefit] plans.” *Curtiss-Wright Corp. v. Schoonejongen*, 514 U.S. 73, 78 (1995).

57. In enacting ERISA, Congress undertook “a ‘careful balancing’” to encourage the creation of health-benefit plans and “to create a system that is [not] so complex that administrative costs, or litigation expenses, unduly discourage employers from offering [ERISA] plans in the first place.” *Conkright*, 559 U.S. at 517 (first quoting *Aetna Health Inc. v. Davila*, 542 U.S. 200, 215 (2004), then quoting *Variety Corp. v. Howe*, 516 U.S. 489, 497 (1996)) (alterations in original). “ERISA ‘induc[es] employers to offer benefits by assuring a predictable set of liabilities, under uniform standards of primary conduct and a uniform regime of ultimate remedial orders and awards when a violation has occurred.’” *Id.* (quoting *Rush Prudential HMO, Inc. v. Moran*, 536 U.S. 355, 379 (2002)) (alteration in original).

58. ERISA designates those administering ERISA-governed fully insured and self-funded plans as fiduciaries and creates reporting, recordkeeping, and disclosure requirements. *Rutledge v. Pharm. Care Mgmt. Ass’n*, 592 U.S. 80, 86 (2020); *Gobeille v. Liberty Mut. Ins. Co.*, 577 U.S. 312, 320–21 (2016).

59. An ERISA fiduciary’s obligations include acting “solely in the interest of the [plan’s] participants and beneficiaries”⁸ (a) for “the exclusive purpose of . . . providing benefits to participants and their beneficiaries” and “defraying reasonable expenses of administering the plan”; (b) “with the care, skill prudence, and diligence” of “a prudent man” in like circumstances; and (c) “in accordance with the documents and instruments governing the plan,” insofar that they are consistent with ERISA. 29 U.S.C. § 1104(a)(1)(A)–(B), (D). ERISA also tasks fiduciaries with “[c]ontracting or making reasonable arrangements” with service providers needed “for the establishment or operation” of an ERISA plan and ensuring that “no more than reasonable compensation is paid therefor.” *Id.* § 1108(b)(2)(A).

60. Congress desired uniformity and affordability in the regulation and administration of ERISA-governed fully insured and self-funded plans: “Requiring ERISA administrators to master the relevant laws of 50 States and to contend with litigation would undermine the congressional goal of ‘minimiz[ing] the administrative and financial burden[s]’ on plan administrators—burdens ultimately borne by the beneficiaries.” *Gobeille*, 577 U.S. at 321 (quoting *Egelhoff v. Egelhoff*, 532 U.S. 141, 149–50 (2001)) (alterations in original).

61. That is why Congress adopted ERISA’s broad preemption provision, which makes clear that “the provisions of [ERISA] shall supersede any and all State

⁸ Under ERISA, a “participant” means any employee or former employee of an employer . . . who is or may become eligible to receive a benefit of any type from an employee benefit plan,” and a “beneficiary” means a person designated by a participant . . . who is or may become eligible for a benefit” under an ERISA-governed fully insured or self-funded plan.” 29 U.S.C. § 1002(7)–(8).

laws insofar as they may now or hereafter relate to any employee benefit plan” governed by ERISA. 29 U.S.C. § 1144(a). “State law[s]” include “all laws, decisions, rules, regulations, or other State action having the effect of law, of any State,” with “State,” in turn, including “a State, any political subdivisions thereof, or any agency or instrumentality of either, which purports to regulate directly or indirectly, the terms and conditions of employee benefit plans covered by [ERISA].” *Id.* § 1144(c)(1)–(2).

62. “[A] state law relates to an ERISA plan” and falls under ERISA’s preemption provision “if it has a connection with or reference to such a plan.” *Rutledge*, 592 U.S. at 86 (quoting *Egelhoff*, 532 U.S. at 147). Under these standards, the Supreme Court has “virtually taken it for granted that state laws which are ‘specifically designed to affect employee benefit plans’ are pre-empted.” *Mackey v. Lanier Collection Agency & Serv., Inc.*, 486 U.S. 825, 829 (1988) (citing *Pilot Life Ins. Co. v. Dedeaux*, 481 U.S. 41, 47–48 (1987) and *Shaw v. Delta Air Lines*, 463 U.S. 85, 98 (1983)).

63. ERISA preempts a state law that has a “connection with” ERISA plans, and therefore “relates to” them. *Rutledge*, 592 U.S. at 86. A state law has a “connection with” ERISA-governed plans if:

- a. The state law “require[s] providers [i.e., ERISA-plan sponsors] to structure benefit plans in particular ways, such as by requiring payment of specific benefits, or by binding plan administrators to specific rules for determining beneficiary status.” *Id.* at 86–87 (citation omitted).

- b. The state law “governs . . . a central matter of plan administration,” such as reporting, recordkeeping, disclosures, or fiduciary obligations, or “interferes with nationally uniform plan administration.” *Gobeille*, 577 U.S. at 320, 323.
- c. The state law has “acute, albeit indirect, economic effects” that “force an ERISA plan to adopt a certain scheme of substantive coverage or effectively restrict its choice of insurers.” *Id.* (quoting *N.Y. State Conf. of Blue Cross & Blue Shield Plans v. Travelers Ins. Co.*, 514 U.S. 645, 668 (1995)).

64. A state law also has a “connection with” an ERISA-governed plan if it sets forth an “alternative enforcement mechanism” to the remedies ERISA provides in 29 U.S.C. § 1132(a). *Travelers Ins. Co.*, 514 U.S. at 658. By its own power, ERISA’s enforcement scheme, particularly 29 U.S.C. § 1132(a), also preempts state-law remedies that would operate against ERISA plans. *See Aetna Health Inc.*, 542 U.S. at 217; *Ingersoll-Rand*, 498 U.S. at 142.

65. ERISA also preempts a state law that makes “reference to” an ERISA plan, and thus “relate[s] to” an ERISA plan, specifically, a state law that “acts immediately and exclusively upon ERISA plans . . . or where the existence of ERISA plans is essential to the law’s operation.” *Gobeille*, 577 U.S. at 319–20 (quoting *Cal. Div. of Labor Standards Enft v. Dillingham Constr. N.A., Inc.*, 519 U.S. 316, 325 (1997)) (second alteration in original).

66. ERISA preemption extends not only to state laws that regulate ERISA plans directly, but also state laws that do so indirectly. State laws indirectly regulate

ERISA plans by regulating ERISA-plan providers, like third-party administrators and PBMs. “Because PBMs manage benefits on behalf of plans, a regulation of PBMs ‘function[s] as a regulation of an ERISA plan itself.’” *Pharm. Care Mgmt. Ass’n v. Wehbi*, 18 F.4th 956, 966 (8th Cir. 2021) (quoting *Pharm. Care Mgmt. Ass’n v. District of Columbia*, 613 F.3d 179, 188 (D.C. Cir. 2010)) (alteration in original); *see generally Gerhart*, 852 F.3d at 730–32 (finding that ERISA preempted earlier version of Iowa Code § 510B.8).

67. ERISA’s insurance “savings” clause saves an otherwise preempted state law that “relate[s] to” ERISA plans if that state law “regulates insurance.” 29 U.S.C. § 1144(b)(2)(A). A state law regulates insurance where the state law is: (a) “specifically directed toward entities engaged in insurance,” and (b) “substantially affect[s] the risk pooling arrangement between the insurer and the insured.” *Ky. Ass’n of Health Plans v. Miller*, 538 U.S. 329, 342 (2003).

68. ERISA’s “deemer” clause, 29 U.S.C. § 1144(b)(2)(B), forbids state laws from deeming ERISA-governed self-funded plans or the PBMs that serve them as insurance companies or engaged in the business of insurance. *See FMC Corp. v. Holliday*, 498 U.S. 52, 61 (1990) (“We read the deemer clause to exempt self-funded ERISA plans from state laws that ‘regulat[e] insurance’ within the meaning of the saving clause.”). Accordingly, ERISA’s savings clause does not extend to state laws directed at such plans or their PBMs.

D. The First Amendment

69. The First Amendment to the U.S. Constitution provides, among other things, that “Congress shall make no law . . . abridging the freedom of speech.” U.S.

Const. amend. I. The First Amendment applies to the states through the Fourteenth Amendment. See *1-800-411-Pain Referral Serv., LLC v. Otto*, 744 F.3d 1045, 1054 (8th Cir. 2014).

70. “[F]reedom of speech includes both the right to speak freely and the right to refrain from speaking at all.” *Telescope Media Grp. v. Lucero*, 936 F.3d 740, 752 (8th Cir. 2019) (quoting *Janus v. Am. Fed’n of State, Cnty., & Mun. Emps., Council 31*, 585 U.S. 878, 892 (2018)).

71. The First Amendment “protects commercial speech from unwarranted governmental regulation,” as “[c]ommercial expression not only serves the economic interest of the speaker, but also assists consumers and furthers the societal interest in the fullest possible dissemination of information.” *Cent. Hudson Gas & Elec. Corp. v. Pub. Serv. Comm’n of N.Y.*, 447 U.S. 557, 561–62 (1980). As such, governmental burdens on protected commercial speech are subject to heightened scrutiny. *Id.* at 564.

72. To assess the constitutionality of an infringement on commercial speech, a court must first ask “whether the challenged speech restriction is content- or speaker-based, or both.” *Otto*, 744 F.3d at 1054 (citing *Sorrell v. IMS Health Inc.*, 564 U.S. 552, 563–65 (2011)). “Mandating speech that a speaker would not otherwise make necessarily alters the content of the speech.” *Riley v. Nat’l Fed’n of the Blind of N.C., Inc.*, 487 U.S. 781, 795 (1988). Governmental restrictions on speech amount to content-based regulations where the government “disfavors ‘speech with a particular content.’” *Otto*, 744 F.3d at 1055.

73. Courts use a four-part test to determine if a content- or speaker-based infringement on commercial speech survives constitutional scrutiny: “(1) whether the commercial speech at issue concerns unlawful activity or is misleading; (2) whether the governmental interest is substantial; (3) whether the challenged regulation directly advances the government’s asserted interest; and (4) whether the regulation is no more extensive than necessary to further the government’s interest.” *Id.* (citing *Cent. Hudson*, 447 U.S. at 566).

74. “[I]t is the State’s burden to justify its content-based law as consistent with the First Amendment,” *Sorrell*, 564 U.S. at 571–72, and to “demonstrate that the harms it recites are real.” *Edenfield v. Fane*, 507 U.S. 761, 771 (1993).

E. The *ABI* Litigation

75. On July 21, 2025, this Court issued an order in the *ABI* litigation enjoining enforcement of SF 383 against the plaintiffs in that action and their contractors and agents who assist in the administration of their health benefit plans.⁹ *See ABI*, 2025 WL 2888377, at *1, *44–45. That order enjoins enforcement of SF 383 against OptumRx and United with respect to their provision of services to the *ABI* plaintiffs and their members. *Id.*

76. In *ABI*, this Court concluded that “SF 383 crosses constitutional lines in multiple respects,” both under ERISA and the First Amendment. *Id.* at *44. This Court enjoined the following provisions “as preempted by ERISA”: § 510B.4(4) (anti-

⁹ Because Plaintiffs’ complaint largely raises the same claims and seeks the same relief as in *ABI*, this complaint borrows heavily from the complaint in *ABI*.

discrimination requirements);¹⁰ § 510B.4B(1)(b) and § 510B.4B(2)(a) (any-willing-provider standards); § 510B.4B(1)(d) (open-access standard for specialty drugs); § 510B.4B(1)(f) and § 510B(8)(3) (mail-order pharmacy and cost-sharing provisions); § 510B.8(6) (deductible credit requirements); § 510B.8D(1) and § 510B.8D(2) (mandatory contract terms and supersession provisions); and § 510B.4B(4) (general enforcement provision). *ABI*, 2025 WL 2888377, at *45.

77. This Court also enjoined the following provisions “as violative of the First Amendment”: § 510B.4(4) (anti-referral provision) and § 510B.4B(2)(a) (compelled disclosure requirements). *Id.*

78. Finally, this Court enjoined the following provisions as inseverable from the invalid provisions: § 510B.8D(2) (supersession over contrary contract terms) and § 510B.8B(3) (dispensing fee provision that cannot survive without the anti-discrimination framework). *Id.*

79. The preliminary injunction in *ABI* enjoins the Commissioner from enforcing SF 383’s enjoined provisions “against [the *ABI*] Plaintiffs and their contractors and agents who assist in the administration of their health benefit plans.” *Id.* Under *Trump v. CASA* and its bar on universal injunctions, the Court did not extend the injunction to any other entities. *Id.* at *42–44. The Court stated that “[t]he Commissioner retains full authority to implement all provisions of SF 383 against persons not covered by this injunction, and to enforce all non-enjoined provisions

¹⁰ The Court’s injunction order contains a clerical error, referring to new Iowa Code § 510B.4(4) as § 510B.1(4).

against all persons, including Plaintiffs and their contractors and agents. Additionally, the Commissioner may develop appropriate regulatory guidance concerning compliance with the entirety of SF 383's requirements." *Id.* at *44.

80. This Court did not enjoin § 510B.4B(1)(a) (anti-promotion provision). *Id.* at *8. This Court ruled that because that provision only restricts PBMs' First Amendment rights and the *ABI* plaintiffs did not include any PBMs, the *ABI* plaintiffs did not have standing to challenge the provision under the First Amendment and ERISA did not otherwise preempt the provision. *Id.* at *8, *19. Nor did the Court enjoin parts of SF 383 other than those referenced above that the *ABI* plaintiffs had challenged as preempted by ERISA because it determined that ERISA preemption did not extend to those provisions.

81. This Court ordered that the injunction "shall remain in effect pending final resolution of [the *ABI* case] or further order of the Court." *Id.* at *45.

82. On July 25, 2025, the Commissioner appealed this Court's *ABI* injunction to the Eighth Circuit. No. 4:25-cv-00211, ECF No. 56. On August 7, 2025, the *ABI* plaintiffs filed a cross-appeal. *Id.*, ECF No. 60.

83. On August 18, 2025, this Court entered an order staying the *ABI* proceedings pending the disposition of the appeal and cross-appeal. *Id.*, ECF No. 65.

84. On August 12, 2025, Plaintiffs' counsel emailed the Commissioner inquiring as to whether he intended to enforce SF 383 against health plans and PBMs not subject to the *ABI* injunction. A copy of that email is attached as Exhibit 4. The

Commissioner acknowledged receipt of Plaintiffs' email but did not provide a substantive response.

85. On September 18, 2025, Plaintiffs' counsel again contacted the Commissioner with a letter indicating Plaintiffs' intent to interpret SF 383 as not applying to ERISA-governed plans, their agents, or their contractors. A copy of that letter is attached as Exhibit 5. The Commissioner did not respond.

86. For the past several months, Plaintiffs remained unaware of any effort by the Commissioner to enforce SF 383 with respect to any entity regardless of their coverage under this Court's injunction. Nor did Plaintiffs receive any inquiries from the Commissioner's division regarding Plaintiffs' compliance with SF 383.

87. But through an official bulletin published on September 24, 2025, the Commissioner expressly stated his intent to enforce SF 383 to all parties not subject to the injunction in *ABI*. See Exhibit 2. The Commissioner reiterated his position on October 8, 2024, in a letter to interested parties. See Exhibit 3.

88. In the Bulletin, the Commissioner stated that "SF 383 is enforceable in its entirety against all entities that are not plaintiffs in *ABI v. Ommen*." Exhibit 2 at 12. The Commissioner said the Insurance Division takes "possible violations [of SF 383] seriously and will continue to investigate and take enforcement actions where necessary to protect Iowa consumers." *Id.* at 16. He also invited interested parties to file complaints at the Division: "Any consumers or industry participants aware of these practices should report them directly to the Division." *Id.*

89. The Commissioner further stated that “[f]or those employer groups who are plaintiffs in [the *ABI*] lawsuit, and the contractors and agents those plaintiffs use for plan administration, some sections of SF 383 remain enforceable.” *Id.* at 12. The Commissioner identified certain provisions of SF 383 subject to the *ABI* preliminary injunction as provisions that he cannot enforce, but only as to the *ABI* plaintiffs and their contractors and agents when acting on behalf of the *ABI* plaintiffs. *See id.* at 12 n.23. According to the Bulletin, “PBMs, contractors and agents are expected to implement SF 383 for all of their third-party payor clients who are not subject to the court’s order in *ABI v. Ommen*.” *Id.* at 12.

90. The Commissioner also stated, for the first time, that “[v]iolations of SF 383 would also constitute violations of the Iowa Insurance Trade Practices Act.” *Id.* at 16. The civil penalties under that Act are: “not more than one thousand dollars for each act or violation . . . , but not to exceed an aggregate of ten thousand dollars, unless the person knew or reasonably should have known the person was in violation of [the Act], in which case the penalty shall be not more than five thousand dollars for each act or violation, but not to exceed an aggregate penalty of fifty thousand dollars in any one six-month period.” Iowa Code § 507B.7(1)(a). In addition, “[i]f the commissioner finds that a violation . . . was directed, encouraged, condoned, ignored, or ratified by the employer of the person or by an insurer, the commissioner shall also assess a penalty to the employer or insurer.” *Id.*

91. Following issuance of the Bulletin, the Federation of Iowa Insurers sent a letter to the Commissioner objecting to the Division’s stated intent to enforce SF

383 against non-parties to *ABI*, explaining that ERISA and the First Amendment protected similarly situated non-*ABI* parties no less than the *ABI* parties and that the Commissioner's Bulletin would incite new federal lawsuits to obtain the protection of an injunction similar to the one issued in *ABI*.

92. The Commissioner responded by citing this Court's statement in the *ABI* injunction "explicitly [noting] that '[t]he Commissioner retains full authority to implement all provisions of SF 383 against persons not covered by this injunction, and to enforce all non-enjoined provisions against all persons, including Plaintiffs and their contractors and their agents.'" Exhibit 3 at 1. The Commissioner emphasized that "[t]he Insurance Division is obligated to enforce laws passed by the Iowa Legislature and to comply with court orders." *Id.* But the Commissioner conceded that "[i]t may be debatable as a legal matter whether *Trump v. CASA* restricts the district court's authority in this context as described in the *ABI v. Ommen* injunction" and that "[t]he existence of 'two competing versions' of a statute, one applicable to named parties and one to everyone else in a market may be arguably inconsistent" and "may raise other issues of law." *Id.* The Commissioner added: "Nevertheless, as stated by the district court and the Bulletin, SF 383 is enforceable in its entirety 'against persons not covered by this injunction.'" *Id.* at 2. And he noted that "[s]pecific facts and enforcement provide the opportunity for resolving disputes in interpretation." *Id.*

93. The Commissioner's increasing efforts to enforce SF 383 in its entirety with respect to non-parties to *ABI* create difficult, unworkable, and untenable

conditions for OptumRx, United, and other entities not covered by the injunction in *ABI*.

94. OptumRx and United serve and/or provide ERISA-governed fully insured and self-funded health plans that have fiduciary obligations to follow ERISA-plan terms, defray plan costs, and act in their plan's participants' and beneficiaries' sole interests. Further, ERISA's enforcement mechanisms in 29 U.S.C. § 1132 subject such plans and providers to policing and enforcement by federal authorities and plan parties. Yet SF 383 mandates actions contrary to those fiduciary obligations. And those not covered by this Court's injunction, but whose pharmacy benefits Plaintiffs provide, also seek to prevent monetary loss and other harm. Plaintiffs face a Hobson's Choice: comply with one law while risking enforcement under another.

CLAIMS FOR RELIEF

COUNT 1 (ERISA PREEMPTION)

95. Plaintiffs repeat and reallege every allegation contained in the above paragraphs.

96. By providing, servicing, or administering both self-funded and fully insured ERISA plans, Plaintiffs are "Pharmacy benefits managers" under SF 383. United also qualifies as a "Third-party payor" under SF 383 because it is responsible for reimbursements for prescription drug benefits. SF 383 applies to fully insured and self-funded ERISA plans because an ERISA plan sponsor is a "Third-party payor" under SF 383, an ERISA plan is a "Health benefit plan" under SF 383, and ERISA-plan participants and beneficiaries are "Covered person[s]" under SF 383.

97. As applied to ERISA-governed fully insured and self-funded health plans for non-parties to *ABI* to whom Plaintiffs provide their services, ERISA preempts SF 383 because it has a “connection with” ERISA plans, and therefore “relate[s] to” ERISA plans. SF 383 requires ERISA-governed fully insured and self-funded health plans to structure their plans in particular ways, governs central matters of ERISA-plan administration, and interferes with nationally uniform ERISA-plan administration as follows:

- a. SF 383’s anti-discrimination provision, new Iowa Code § 510B.4(4), prohibits differentiation by an ERISA plan and its PBM among pharmacies within the ERISA plan’s network and dictates the design of an ERISA plan’s prescription drug benefits by prohibiting an ERISA plan from adopting terms that establish incentives (such as lower cost-sharing) for certain pharmacies in the network and by prohibiting the limiting of the dispensing of specialty drugs to certain pharmacies within the network. The anti-discrimination provision interferes with a central matter of ERISA-plan administration by limiting the extent to which an ERISA plan’s fiduciaries and other administrators can recommend or refer participants and beneficiaries to a pharmacy in the participants’, beneficiaries’, and ERISA plan’s best financial and other interests.
- b. SF 383’s limitation on guidance to preferred pharmacies, new Iowa Code § 510B.4B(1)(a), dictates the design of an ERISA plan’s prescription drug benefits by prohibiting PBMs from promoting in-network pharmacies to

- beneficiaries by offering cost-sharing discounts available through the plan design, such as reduced copayments or coinsurance. That discount prohibition impermissibly forbids ERISA plans from using lower cost-sharing to create an incentive for ERISA plan beneficiaries to prefer the mail-order option over other options or to use preferred pharmacies. That interferes with a central matter of plan administration because it restricts the extent to which an ERISA plan's fiduciaries and administrators can recommend or promote pharmacies in the participants', beneficiaries', and ERISA plan's best interests. *See Pharm. Care Mgmt. Ass'n v. Mulready*, 78 F.4th 1183, 1200 (10th Cir. 2023).
- c. SF 383's any-willing-pharmacy provision, new Iowa Code § 510B.4B(1)(b), applies to PBMs that administer a health benefit plan's prescription drug benefits and impermissibly dictates how an ERISA plan designs and maintains its pharmacy network, the terms it must offer to pharmacies in its network, and the terms of ERISA-plan coverage that it must offer to participants and beneficiaries using pharmacy networks.
 - d. SF 383's pharmacy-accreditation-standard provision, new Iowa Code § 510B.4B(1)(c), sets a pharmacy-accreditation standard for participation in a third-party payor's network (not just a PBM's network), which dictates how an ERISA plan's pharmacy network is designed and maintained.
 - e. SF 383's open-access standard for specialty drugs provision, new Iowa Code § 510B.4B(1)(d), impermissibly dictates how an ERISA plan must design

- and maintain its pharmacy network, the terms an ERISA plan must offer to pharmacies in its network, and the coverage terms ERISA-plans must offer to participants and beneficiaries using specialty drugs.
- f. SF 383's provision prohibiting mail-order pharmacy exclusivity, new Iowa Code § 510B.4B(1)(e), imposes impermissible structural mandates and dictates the terms of ERISA-plan coverage by removing some of the most fundamental and cost-effective benefit design options that ERISA-plan sponsors may adopt.
 - g. SF 383's mail-order pharmacy cost provision, new Iowa Code § 510B.4B(1)(f), requires cost-sharing equivalence based on cost-sharing for prescription drugs obtained from mail-order pharmacies. That dictates the design of an ERISA plan's prescription drug benefits by prohibiting an ERISA plan from adopting terms incentivizing the use of mail-order pharmacies, such as varying copayment and coinsurance terms.
 - h. SF 383's any-willing-provider provision, new Iowa Code § 510B.4B(2)(a), requires a third-party payor that restricts pharmacy participation to issue notices about such restrictions and offer pharmacies the option to participate in its plan. That impermissibly dictates how an ERISA plan may design and maintain its pharmacy network, the terms an ERISA plan must offer to pharmacies in its network, and the terms of coverage that an ERISA plan must offer participants and beneficiaries using pharmacy networks. It also interferes with a central matter of ERISA-plan

administration by enlarging the requirements governing an ERISA plan's mandated disclosures in Iowa.

- i. SF 383's notice-requirement provision, new Iowa Code § 510B.4B(2)(b), requires third-party payors to inform covered persons of details about network providers. That interferes with a central matter of ERISA-plan administration by enlarging the requirements governing an ERISA plan's mandated disclosures in Iowa.
- j. SF 383's other mail-order pharmacy cost provision, new Iowa Code § 510B.8(3), requires cost-sharing equivalence among all pharmacies. That impermissibly dictates the design of an ERISA plan's prescription-drug benefits by prohibiting an ERISA plan from adopting terms establishing incentives for using certain pharmacies in the network, like varying copayment and coinsurance terms.
- k. SF 383's pass-through-rebates provision, new Iowa Code § 510B.8(4), requires a PBM to transfer all manufacturer rebates to ERISA-governed plans. That interferes with a central matter of ERISA-plan administration by limiting how an ERISA plan may choose to compensate a PBM for the PBM's services and by forcing ERISA plans to adopt alternative compensation arrangements with their PBMs.
- l. SF 383's deductible provisions, new Iowa Code § 510B.8(5)–(7), require inclusion in cost-sharing and deductibles of any amounts paid on behalf of a covered person, like those through drug manufacturer coupons or other

- manufacturers' incentives. That dictates the design of an ERISA plan's prescription drug benefits by prohibiting the adoption of copayment, coinsurance, or deductible terms that exclude such third-party incentives from the calculations. These provisions impermissibly mandate how ERISA plans must calculate and apply deductible contributions, which directly regulates ERISA-plan design.
- m. SF 383's reimbursement provisions, new Iowa Code § 510B.8B(1)–(2), require that reimbursement rates to all pharmacies match or exceed PBM affiliates' reimbursement rates. These provisions dictate the design of an ERISA plan's prescription drug benefits by prohibiting ERISA plans from adopting terms that incentivize participants and beneficiaries to utilize pharmacy options that may be more cost-effective to the ERISA plan or lead to decreased cost-sharing for participants and beneficiaries.
- n. SF 383's quarterly-reporting and internet-publication provisions, amended Iowa Code § 510B.8B(4)(a), (b), (d), require quarterly reporting to the Commissioner, including internet publication. That interferes with a central matter of ERISA-plan administration by enlarging the requirements governing an ERISA plan's mandated disclosures in Iowa.
- o. SF 383's contractual provisions, new Iowa Code § 510B.8D(1)–(2), require that contracts between third-party payors and PBMs contain pass-through pricing and other terms. That impermissibly restricts fiduciary discretion and interferes with a central matter of ERISA-plan administration because

it limits how an ERISA plan may choose to compensate a PBM for PBM services and forces ERISA plans and ERISA-plan sponsors to alter contracts that allow PBMs, as part of their compensation, to retain increments generated under alternatives to pass-through pricing.

98. SF 383's enforcement provisions, new Iowa Code §§ 510B.4B(1)(d), 510B.4B(4), and 510B.8E(1)–(3), authorize those injured by alleged violations of certain provisions of SF 383—including covered persons and pharmacies—to bring causes of action against third-party payors and PBMs. These provisions have a “connection with” ERISA plans, and therefore “relate to” them and are preempted, because they provide alternative enforcement mechanisms to ERISA's exclusive remedies to challenge, and assert liability for, conduct by ERISA-plan sponsors, ERISA plans, and PBMs administering prescription drug benefits on an ERISA plan's behalf. For the same reason, ERISA preempts enforcing SF 383 through the Iowa Insurers Trade Practices Act.

99. Separately, and for the same reasons, ERISA's enforcement scheme, 29 U.S.C. § 1132(a), also preempts SF 383's enforcement provisions, new Iowa Code §§ 510B.4B(1)(d), 510B.4(4), and 510B.8E(1)–(3)), as well as the enforcement of SF 383 through the Iowa Insurance Trade Practices Act.

100. The acute financial effects of SF 383's various provisions—including its dispensing-fee requirement, amended Iowa Code § 510B.8B(3), that adds at least \$10.68 to the cost of each prescription drug dispensed at retail pharmacies—necessarily and severely impact ERISA-plan sponsors' substantive coverage choices

and use of PBMs and other service providers. On that basis, SF 383's provisions have a "connection with" ERISA plans and, therefore, "relate to" them and are preempted. Such provisions reflect the statute's interference with fundamental plan-design elements.

101. SF 383's pass-through-rebates provision, new Iowa Code § 510B.8(4), compels that PBMs pass through rebates to "the employee plan sponsor as permitted by" ERISA. That impermissibly makes a "reference to" ERISA plans and, therefore, "relate[s] to" them and is preempted.

102. Despite this Court's injunction in *ABI*, the Commissioner has made clear that SF 383 remains enforceable against OptumRx and United. If this Court does not invalidate SF 383 and the Commissioner enforces the preempted provisions, Plaintiffs and the ERISA plans they serve will suffer immediate and lasting injury and impact. Such harms include the following:

- a. Plaintiffs must modify their contracts with, and provision of services to, all ERISA-plan sponsors and otherwise covered individuals. That includes contracts currently up for negotiation.
- b. Plaintiffs must choose between following SF 383 or ERISA. If they comply with SF 383, Plaintiffs and/or their clients will violate their ERISA fiduciary duties and Plaintiffs will violate the terms of the plans they administer, incurring liability under their existing contracts. If they comply with ERISA, they risk enforcement penalties and loss of licensure under SF 383.

- c. Plaintiffs risk violating the Iowa Insurance Trade Practices Act because the Commissioner interprets violations of SF 383 as violations of that Act. *See* Exhibit 2 at 16.
- d. Plaintiffs risk incurring substantial compliance costs due to required production and distribution of costly notices to pharmacies and ERISA participants and beneficiaries beyond what ERISA requires, as well as new notices to ERISA participants and beneficiaries regarding their ERISA plans' altered prescription-drug benefits and pharmacy networks.
- e. Plaintiffs have and will continue to incur substantial increased costs resulting from compliance with SF 383's provisions that Plaintiffs cannot recoup if the Court enjoins the challenged provisions as applied to Plaintiffs and their clients.
- f. Plaintiffs and the plans they serve must begin mitigating SF 383's costs by amending contracts to offer more limited prescription-drug offerings and greater cost-sharing by covered persons.

103. ERISA preempts SF 383's provisions both for self-funded and fully insured ERISA plans that Plaintiffs provide and/or serve, as well as those plans typically saved under ERISA's insurance savings clause, 29 U.S.C. § 1144(b)(2)(A), because:

- a. Under ERISA's "deemer" clause, *id.* § 1144(b)(2)(B), insurance companies or those engaged in the business of insurance do not include self-funded ERISA plans or the PBMs who assist them.

- b. SF 383's provisions do not meet the requirements of ERISA's "savings" clause because: (i) SF 383 does not specifically regulate entities engaged in insurance but instead encompasses, and directs regulations at, entities like PBMs, pharmacies, and employers that do not necessarily carry risk; and (ii) SF 383 does not substantially affect the risk-pooling arrangement between the insurer and the insured given its indifference to it. In contrast, it seeks primarily to benefit rural independent pharmacies.
- c. Even if one or more of SF 383's provisions constitute regulations on insurance, they conflict with ERISA's requirements, including a fiduciary's obligations to follow plan terms as written, act solely for their participants' and beneficiaries' interests, and defray an ERISA plan's administrative expenses. SF 383's provisions prevent PBMs, ERISA plans, and their fiduciaries, contractors, and administrators from communicating with an ERISA plan's participants and beneficiaries about available cost-savings through using certain pharmacies and plan options.

104. Although SF 383 contains a severability provision, the provisions of SF 383 that ERISA preempts must remain inseverable from the remainder of SF 383 because the exclusion of the offending provisions fundamentally alters the nature and scope of what the Iowa Legislature enacted. Certainly, the Legislature would have preferred no law at all to the one resulting after preemption. The Court cannot sever the remaining provisions without entering a legislative role. Here, severing forces the Court to fashion new legislation after voiding whole provisions, excising words,

limiting various provisions as applied to ERISA plans, and determining whether any remaining provisions or words inextricably intertwine with illegal parts.

105. ERISA preempts SF 383's provisions and renders it null and void as applied to Plaintiffs and those for whom Plaintiffs administer pharmacy benefits. This Court should enjoin SF 383 from operation and declare it illegal.

COUNT 2 (FIRST AMENDMENT)

106. Plaintiffs repeat and reallege every allegation contained in the above paragraphs.

107. SF 383's anti-discrimination provision, new Iowa Code § 510B.4(4), prohibits PBMs, health-benefit plans, health carriers, and third-party payors from "discriminat[ing] against a pharmacy or pharmacist with respect to," among other things, "referral[s]." That infringes upon Plaintiffs', third-party payors', and ERISA-governed and non-ERISA-governed fully insured and self-funded health benefit plans' rights to provide accurate and relevant information to covered persons (i.e., those participating in relevant health-benefit plans that utilize OptumRx or United) about their prescription drug benefits.

108. SF 383's anti-promotion provision, new Iowa Code § 510B.4B(1)(a), bars PBMs from "prohibit[ing] or limit[ing]" covered persons from selecting a participating pharmacy of their choice. It defines "prohibit or limit" to include, among other things, "a promotion of one participating pharmacy over another." *Id.* Limitations on guiding covered persons to preferred pharmacies infringe upon Plaintiffs' rights and the rights of third-party payors and ERISA-governed and non-ERISA-governed fully insured and self-funded health-benefit plans to provide accurate and complete

information to covered persons. That harms covered persons and their health-benefit plans by depriving them of beneficial, cost-saving information.

109. SF 383's notice requirement found in the any-willing-provider provision applicable to third-party payors, new Iowa Code § 510B.4B(2)(a), requires that when a third-party payor providing prescription-drug reimbursement to covered persons restricts pharmacy participation in a health benefit plan, it must "notify, in writing, all pharmacies within the geographical coverage area of the health benefit plan restriction, and offer the pharmacies the opportunity to participate in the health benefit plan." That violates the First Amendment because it compels PBMs, third-party payors, fully insured health plans, and self-funded health plans to speak about the terms of confidential health-benefit plans to parties with which the PBM, third-party payor, or health plan has no relationship, infringes upon the PBM's, third-party payor's, and health plan's protected right not to speak, and harms the PBM, third-party payor, and health plan by compelling the revelation of commercially sensitive information.

110. The anti-referral and anti-promotion provisions prevent Plaintiffs, third-party payors, and ERISA-governed and non-ERISA-governed health-benefit plans from speaking freely to covered persons regarding their prescription-drug benefits. The notice provision controls the speech of third-party payors who contract with Plaintiffs, as well as United as a third-party payor, by preventing them from speaking about their pharmacy networks to any pharmacy in the geographical area, regardless of the relationship (or lack thereof) between the parties.

111. The anti-referral provision regulates speech based on its content and its speaker. It disfavors speech with a particular content, namely, speech that distinguishes certain pharmacies from others and “refers” certain pharmacies while not referring others. And it disfavors particular speakers—like Plaintiffs, health-benefit plans, and third-party payors—by preventing them from providing pharmacy referrals while allowing the same speech from others, such as medical professionals or those with pertinent knowledge.

112. The anti-promotion provision also regulates speech based on its content and its speaker. It specifically prohibits promotional speech elevating “one participating pharmacy over another.” New Iowa Code § 510B.4B(1)(a). And it disfavors certain speakers by restricting only the speech of PBMs acting on behalf of health-benefit plans, as opposed to any other entity involved in the provision of pharmacy benefits to covered persons.

113. The notice requirement similarly regulates speech based on its content and its speaker. It compels speech that third-party payors and PBMs might not make, thereby altering the content of the speech. Third-party payors would not otherwise provide the mandated notices, as the structure and terms of health benefit plans and their provider networks involve highly sensitive commercial information that third-party payors seek to protect from competitors. Additionally, the notice requirement regulates speech based on its content because it disfavors speech referencing pharmacy networks that contain restrictions. And it imposes a burden

only on disfavored third-party payors—those that maintain restricted pharmacy networks—thereby regulating speech based on its speaker.

114. The anti-referral and anti-promotion provisions do not purport to restrict misleading speech or speech concerning unlawful activity. Rather, the provisions restrict PBMs, third-party payors, and health-benefit plans to protect the commercial interests of rural independent pharmacies. And they do so at the expense of PBMs', third-party payors', and ERISA-governed and non-ERISA-governed health-benefit plans' First Amendment rights. Not to mention the effect on covered persons' ability to access beneficial information about their prescription-drug benefits. PBMs, third-party payors, and ERISA-governed and non-ERISA-governed health-benefit plans “promote” or “refer” certain in-network pharmacies to covered persons to communicate lower-cost or higher-quality pharmacy offerings—information that covered persons and their health-benefit plans value.

115. The compelled speech at issue in the notice requirement does not concern unlawful or misleading activities. Entities must comply with the notice clause if they simply provide reimbursement for pharmacy benefits through a pharmacy network that contains *lawful* restrictions. Such common restrictions, which the state disfavors, serve important cost-saving functions for covered persons and ERISA-governed and non-ERISA-governed health-benefit plans. And transparent and industry-standard pharmacy network restrictions are not misleading.

116. Iowa has no substantial interest in preventing (through the anti-referral and anti-promotion provisions) PBMs or third-party payors or ERISA-governed or non-ERISA-governed health-benefit plans that PBMs serve from communicating salient information to covered persons. Nor does Iowa have a substantial interest in forcing (through the notice requirement) third-party payors to share commercially sensitive information with parties with whom the third-party payors have no preexisting relationship. Iowa prevents no harm by burdening speech in this manner, particularly given that Chapter 510B already imposes requirements on PBM contracts with pharmacies.

117. Even if Iowa had a substantial interest in animating the anti-referral, anti-promotion, and notice-requirement provisions, these provisions constitute overbroad and indirect regulations that lack sufficiently narrow tailoring. The anti-referral and anti-promotion provisions do not directly advance Iowa's interests, substantial or not. Iowa seeks to protect pharmacy rights, but it does so by burdening *other* parties' rights—PBMs', third-party payors', and ERISA-governed and non-ERISA-governed health-benefit plans' speech rights and covered persons' rights to accurate, full information. That indirect attempt to shore up certain pharmacies' commercial positions amounts to a "fear that people would make bad decisions [according to the government] if given truthful information." *Thompson v. W. States Med. Ctr.*, 535 U.S. 357, 374 (2002). Iowa cannot justify silencing Plaintiffs and the entities they serve. Further, the beneficial speech that these provisions prohibit demonstrates the lack of narrow tailoring. These provisions prevent PBMs,

third-party payors, and ERISA-governed and non-ERISA-governed health-benefit plans from referring to certain pharmacies or promoting participating pharmacies in any manner or for any reason, regardless of how such promotions might benefit covered persons or the health-benefit plan.

118. The notice requirement likewise fails for lack of narrow tailoring. Instead of using non-speech-related means, Iowa has relied on compelling the speech of Plaintiffs and third-party payors to increase pharmacy network access—an effect that may never come to fruition. The notice requirement amounts to an indirect, overly extensive, and unduly burdensome mandate that requires uniform disclosure to *all* area pharmacies, regardless of whether any given pharmacy demonstrates interest in participating in a third-party payor’s network.

119. Collectively, and individually, the anti-referral and anti-promotion provisions and the notice requirement have severe practical consequences for, and cause injury to, third-party payors, health-benefit plans, carriers, PBMs, and covered persons. SF 383 prohibits Iowa employers and ERISA-governed and non-ERISA-governed fully insured and self-funded plans, third-party administrators, and PBMs from telling employees and their dependents that they can save money (for instance, through avoiding the \$10.68 dispensing fee) by: (a) filling their prescriptions at a national pharmacy chain such as Walgreens, CVS, Wal-Mart, Costco, etc. or (b) utilizing a mail-order pharmacy for their prescription needs. All who finance covered prescription-drug benefits, including covered persons, stand to

lose through ever-accumulating greater costs because of SF 383's silencing of relevant, useful commercial speech, so that select retail pharmacies may benefit.

120. SF 383's illegality under the First Amendment makes any severability analysis unworkable. With ERISA preempting numerous provisions and the First Amendment barring more, the Court cannot salvage any remainder without impermissibly refashioning SF 383 into an incomprehensible and unworkable measure—one that the legislature never would have enacted.

121. Because SF 383 violates the First Amendment rights of PBMs, third-party payors, health-benefit plans, and their insurers and administrators, this Court should find SF 383's provisions null and void, enjoin SF 383 from operation, and declare it unconstitutional and illegal.

PRELIMINARY RELIEF

122. Plaintiffs repeat and reallege every allegation contained in the above paragraphs.

123. Plaintiffs are entitled to preliminary injunctive relief and will promptly seek it in this action or otherwise inform the Court of a change in circumstances that makes preliminary relief unnecessary.

124. Plaintiffs are likely to succeed on the merits of their ERISA-preemption and First-Amendment causes of action—as this Court already held in *ABI*. In numerous ways, SF 383 triggers ERISA preemption—it requires ERISA-governed fully insured and self-funded health-plan sponsors to structure their plans in particular ways; governs central matters of ERISA-plan administration, including fiduciary obligations, reporting, and disclosures; and interferes with nationally

uniform ERISA-plan administration by making it impossible to administer the same multi-state ERISA plans in Iowa. And provisions of SF 383 impermissibly suppress or compel commercial speech without sufficient justification or narrow tailoring, making SF 383 violative of the First Amendment.

125. SF 383 will cause Plaintiffs to suffer immediate and irreparable injury for which no adequate remedy at law exists because:

- a. SF 383 subjects Plaintiffs to an invalid and preempted state law under ERISA and the First Amendment.
- b. Without an injunction, this Court's previous injunction subjects Plaintiffs to varying and inconsistent obligations for different clients.
- c. Plaintiffs must alter their contracts and relationships with the fully insured and self-funded health plans and administrators and plan sponsors they serve, forcing those plans and administrators to modify their ERISA-governed and non-ERISA-governed plans, procedures, and benefits to conform to SF 383. That regulates health-plan design and alters plan structures. Plaintiffs and their clients must do all of that in piecemeal fashion because under *ABI*, SF 383 applies to OptumRx and United for some clients but not others.
- d. Once done, Plaintiffs cannot readily and quickly undo the changes to plan documents. Plaintiffs need immediate relief to protect their right to meaningfully obtain the benefit of a positive ERISA-preemption or First-Amendment ruling on the merits.

- e. If forced to comply with SF 383 or suffer penalties, Plaintiffs cannot recoup their expenditure of funds while awaiting a ruling on the merits because no mechanism under Chapter 510B or SF 383 allows Plaintiffs to recover compliance costs, penalties, or other amounts paid to Iowa or others. Indeed, the Commissioner's immunity from damages prevents any remedial monetary recovery directly from him.
- f. Money damages cannot adequately compensate Plaintiffs' harm, making such harm irreparable absent injunctive relief, including a preliminary injunction and a declaration that SF 383 is invalid and preempted.

126. The balance of equities favors Plaintiffs because Iowa suffers no harm from preliminary relief preventing the violation of federal law and the Constitution. In fact, Iowa conserves resources by avoiding enforcement obligations associated with SF 383. And in *ABI*, this Court already enjoined Iowa from enforcing SF 383 against OptumRx and United as to their provision of services to those covered under that injunction. Should this Court later find preliminary relief improper, the Commissioner could recoup his losses.

127. The public interest favors a preliminary injunction because the public has no interest in the enforcement of an illegal state law. Further, piecemeal enforcement of SF 383 causes confusion to members covered by the court's previous injunction and the public. In fact, members of the public will *save* money if this Court enjoins SF 383. Absent an injunction, Plaintiffs and those for which they administer and manage pharmacy benefits will begin revising health-benefit plans to mitigate

SF 383's costs. As a result, covered persons may lose valuable coverage through more limited prescription-drug and health-benefits offerings and increased cost-sharing obligations.

REQUEST FOR RELIEF

For these reasons, Plaintiffs respectfully request that this Court order the following relief:

A. Preliminarily and permanently enjoin SF 383 as to the same provisions on which the Court enjoined enforcement in *ABI*, plus Iowa Code § 510B.4B(1)(a), and on the same bases, for OptumRx, United, and the fully insured and self-funded health plans, third-party payors, and all entities that Plaintiffs serve who are not parties to *ABI* or otherwise covered by that injunction;

B. Preliminarily enjoin the Commissioner and his officers, agents, subordinates, and employees from implementing or enforcing the same provisions on which the Court enjoined enforcement in *ABI*, plus Iowa Code § 510B.4B(1)(a), and on the same bases, for OptumRx, United, and the fully insured and self-funded health plans, third-party payors, and all entities that Plaintiffs serve who are not parties to *ABI* or otherwise covered by that injunction;

C. Preliminarily and permanently enjoin the Commissioner and his officers, agents, subordinates, and employees under him from implementing or enforcing any requirements under SF 383 against Plaintiffs, including with respect to the fully insured and self-funded health plans and third-party payors Plaintiffs serve, as well as all entities that Plaintiffs serve, or assessing penalties against Plaintiffs or the fully insured or self-funded health plans, third-party payors, or other

entities that Plaintiffs serve who are not parties to *ABI* or otherwise covered by that injunction and are subject to Chapter 510B as amended by SF 383;

D. Declare, under 28 U.S.C. § 2201, that ERISA preempts Chapter 510B as amended by SF 383 and that the First Amendment invalidates Chapter 510B as amended by SF 383 as against Plaintiffs and the fully insured and self-funded health plans, third-party payors, and other entities that they serve who are not parties to *ABI* or otherwise covered by that injunction;

E. Award attorney fees and costs to Plaintiffs; and

F. Grant Plaintiffs such additional or different relief as is just and proper.

Respectfully submitted, this 13th day of November, 2025.

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CERTIFICATE OF SERVICE

The undersigned certifies that on November 13, 2025, the foregoing document was filed in the Court's electronic-filing system ("ECF") which, together with the production and transmission of a Notice of Electronic Filing ("NEF") by the ECF system, constitutes filing of the document and service of the document on all persons who have appeared in the case and are ECF system registrants.

/s/ Sydney Kermicle

Sydney Kermicle