

304.9-053 Licensure of pharmacy benefit managers.

- (1) (a) In order to conduct business in this state, a pharmacy benefit manager shall first obtain a license from the commissioner. The license shall be in lieu of an administrator's license as required by KRS 304.9-052.
- (b) A licensed pharmacy benefit manager performing utilization review, as defined in KRS 304.17A-600, shall be registered as a private review agent in accordance with KRS 304.17A-607.
- (2) (a) A person seeking a pharmacy benefit manager license shall apply to the commissioner in writing on a form provided by the department.
- (b) The application shall include:
 1. The name, address, official position, and professional qualifications of each individual responsible for the conduct of affairs of the pharmacy benefit manager, including all members of the board of directors, board of trustees, executive committee, other governing board or committee, the principal officers in the case of a corporation, the partners or members in the case of a partnership or association, and any other person who exercises control or influence over the affairs of the pharmacy benefit manager; and
 2. The name and address of the applicant's agent for service of process in this state.
- (3) Each application for a license, and subsequent renewal for a license, shall be accompanied by:
 - (a) A nonrefundable fee of one thousand dollars (\$1,000);
 - (b) Evidence of financial responsibility in an amount of one million dollars (\$1,000,000); and
 - (c) Any methodologies utilized, or to be utilized, by the pharmacy benefit manager in connection with reimbursement, which shall:
 1. Comply with KRS 304.17A-595(2)(c); and
 2. Be used in determining all appeals under KRS 304.17A-162.
- (4) (a) All licenses issued under this section shall be renewed annually in accordance with KRS 304.9-260.
- (b) If the renewal fee required by subsection (3) of this section is paid after the renewal date, a penalty fee of five hundred dollars (\$500) shall be paid.

Effective: January 1, 2025

History: Amended 2024 Ky. Acts ch. 104, sec. 7, effective January 1, 2025. -- Created 2016 Ky. Acts ch. 79, sec. 2, effective July 15, 2016.