

# COMMONWEALTH OF VIRGINIA



SCOTT A. WHITE  
COMMISSIONER OF INSURANCE  
STATE CORPORATION COMMISSION  
BUREAU OF INSURANCE

P.O. BOX 1157  
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RICHMOND, VIRGINIA 23219  
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July 28, 2020

## Administrative Letter 2020-04

**To: Pharmacy Benefits Managers; All Carriers Licensed to Write Accident and Sickness Insurance in Virginia; All Health Services Plans and Health Maintenance Organizations Licensed in Virginia; and Life and Health Interested Parties**

**Re: Licensure Requirements and Certain Prohibited Conduct**

During its 2020 Session, the Virginia General Assembly passed Acts of Assembly Chapters 219 and 1288 (House Bill 1290 and Senate Bill 251, respectively), related to the licensing of pharmacy benefits managers and certain prohibited conduct by carriers and pharmacy benefits managers. Please see §§ 38.2-3465 through 38.2-3470 of the Code of Virginia (Code). This legislation is effective October 1, 2020.

Under [§ 38.2-3466](#) of the Code, any person providing pharmacy benefits management services or otherwise acting as a pharmacy benefits manager in the Commonwealth on or after October 1, 2020, shall obtain a license from the Bureau of Insurance (Bureau), unless otherwise covered by a carrier's license.<sup>1</sup> To obtain this initial license, a person must complete and submit the attached application and pay a \$250 nonrefundable fee. The Bureau will begin accepting applications immediately. Please allow up to 30 days for processing.

Licenses will be renewable annually for the period October 1 through September 30 in the year following initial issuance. To renew the license, a licensed pharmacy benefits manager must submit a renewal application and pay a \$100 nonrefundable renewal fee.

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<sup>1</sup> If pharmacy benefits management is performed within and under the authority of the carrier's license, then no separate pharmacy benefits manager license is required.

The Bureau also encourages carriers and pharmacy benefits managers to be aware of the conduct prohibited under the new law in [§ 38.2-3467](#), related to advertisements, claims adjudication fees, reimbursements for services, network restrictions or adequacy determinations, retaliation for exercising rights and spread pricing.

Questions concerning this administrative letter should be addressed to:

Stephen Hogge, Policy Advisor–Insurance  
Policy, Compliance, & Administration Division  
Bureau of Insurance  
[Stephen.Hogge@scc.virginia.gov](mailto:Stephen.Hogge@scc.virginia.gov)  
(804) 371-9895

Sincerely,

A handwritten signature in black ink, appearing to read "Scott A. White". The signature is fluid and cursive, with a large loop at the end.

Scott A. White  
Commissioner of Insurance

# State Corporation Commission Bureau of Insurance

## PHARMACY BENEFIT MANAGER ("PBM") APPLICATION / RENEWAL

1. This is:  an Application.  a Renewal.

2. Name of PBM a) FEIN of PBM or, if an individual, last 4 digits of the SS#

**Business Address** (P. O. Box is not an acceptable Business Address)

b) Street		c) Suite	
d) City	e) State	f) Zip Code or Country	
g) Phone Number ( ) Ext.	h) Fax Number ( )	i) Business E-mail	

**Mailing Address**

j) Street or P.O. Box		k) Suite	
l) City	m) State	n) Zip Code or Country	

3. Name of person applying for or renewing the license of the PBM a) Title or Position

**Business Address**

b) Street		c) Suite	
d) City	e) State	f) Zip Code or Country	
g) Phone Number ( ) Ext.	h) Fax Number ( )	i) Business E-mail Address	

**4. PBM Structure:**

- a.) Individual -OR-  
 b.) Partnership or Other Unincorporated Association  c.) Limited Liability Company  d.) Corporation

If other than an Individual application, provide the **total number** of partners, members, or stockholders who each directly or indirectly own, control, or hold the power to vote, 10% or more of the entity's ownership -AND/OR- hold proxies representing 10% or more of the voting securities:

# \_\_\_\_\_

**5. Name and Addresses of each individual or entity with management or control over the pharmacy benefits manager:**

a.	Name _____	Address _____	City _____	State _____	ZIP _____
b.	Name _____	Address _____	City _____	State _____	ZIP _____
c.	Name _____	Address _____	City _____	State _____	ZIP _____
d.	Name _____	Address _____	City _____	State _____	ZIP _____
e.	Name _____	Address _____	City _____	State _____	ZIP _____

Attach a separate sheet titled "Management or Control Overflow Sheet" if more than 5 names and addresses

**6. Name and Addresses of each person with a beneficial ownership interest in the pharmacy benefits manager.**

**Beneficial ownership interest means, if the PBM is seeking licensure under:**

**4.b above, each partner or member;**

**4.c above, each officer, manager, or member;**

**4.d above, each of its officers, directors, and stockholders with greater than 5% ownership interest:**

a.	_____	_____	_____	_____	_____
	Name	Address	City	State	ZIP
b.	_____	_____	_____	_____	_____
	Name	Address	City	State	ZIP
c.	_____	_____	_____	_____	_____
	Name	Address	City	State	ZIP
d.	_____	_____	_____	_____	_____
	Name	Address	City	State	ZIP
e.	_____	_____	_____	_____	_____
	Name	Address	City	State	ZIP

Attach a separate sheet titled "Ownership Interest Overflow Sheet" if more than 5 names and addresses

**7. Service of Process Notice:**

Except where prohibited by state or federal law, by submitting an application for a license, the applicant shall be deemed to have appointed the clerk of the Commission as the agent for service of process on the applicant in any action or proceeding arising in the Commonwealth out of or in connection with the exercise of the license. Such appointment of the clerk of the Commission as agent for service of process shall be irrevocable during the period within which a cause of action against the applicant may arise out of transactions with respect to subjects of pharmacy benefits management in the Commonwealth. Service of process on the clerk of the Commission shall conform to the provisions of Chapter 8 of title [38.2-800](#).

**8. Felony Conviction and/or Violations of State Law Requirements Applicable to PBM**

By checking one of the boxes below and signing this application, the applicant states that, to the best of the signer's knowledge:

No officer with management or control of the pharmacy benefits manager listed in #5 above has been convicted of a felony or has violated any of the requirements of state law applicable to pharmacy benefits managers.

-OR-

The following officer(s) with management or control of the pharmacy benefits manager listed in #5 above has been convicted of a felony or has violated requirements of state law applicable to pharmacy benefits manager (the applicant must provide on a separate sheet titled "Officer Conviction/Law Requirement Violation Detail Sheet" that lists the name, date, jurisdiction, and description of the relevant conviction or violation).

9. Signature of person applying for or renewing the license of the PBM

10. Date

11. Print Name of Signer

The fee for initial licensure is \$250. The fee for license renewal is \$100. All fees are non-refundable. Make check payable to Treasurer of Virginia. Submit applicable fees with your completed registration form to:

**Street Address:**

PBM Licensing  
Policy, Compliance, & Administration Division  
Bureau of Insurance  
1300 E. Main Street  
Richmond, VA 23219

**Mailing Address:**

PBM Licensing  
Policy, Compliance, & Administration Division  
Bureau of Insurance  
P.O. Box 1157  
Richmond, VA 23218

If you have any questions regarding this form, please e-mail [bureauofinsurance@scc.virginia.gov](mailto:bureauofinsurance@scc.virginia.gov) or call (804) 371-9741.

For additional information, please see Administrative Letter 2020-04 at <https://scc.virginia.gov/typedfiles/Administrative-Letters>.