

**2737.0400 BUSINESS LICENSE REQUIREMENTS; INITIAL APPLICATION.**

Subpart 1. **Application.** A pharmacy benefit manager doing business in Minnesota on or after January 1, 2020, must apply to the commissioner in the manner and form prescribed by the commissioner in order to perform, act, or do business in Minnesota as a pharmacy benefit manager. The forms must be submitted no later than 90 days prior to the first day business is effective, offered, or maintained.

Subp. 2. **Application contents.** Each application for a license as pharmacy benefit manager must:

A. be signed and sworn to by the applicant, or the applicant's owners, and be accompanied by the license fee required by Minnesota Statutes, section 62W.03. If the applicant is a corporate applicant, the application must be verified by the president and secretary of the corporation;

B. designate an agent for service of process in Minnesota;

C. provide the name, address, identifying information, official position, and professional qualifications of each person responsible for conducting the affairs of the pharmacy benefit manager, including owners, key employees, as well as all members of the board of directors, board of trustees, executive committee, or other governing board or committee; for a corporation, the principal officers; or for a partnership or association, the partners or members;

D. for the applicant and each person identified under item C:

(1) provide detailed resumes, which must contain at a minimum each person's name, licensing history, and qualifications and experience relating to the work the person performs for the applicant;

(2) for an owner, partner, officer, or director of the applicant, fully describe any contract or other business relationship terminated for alleged misconduct on the part of any owner, partner, officer, or director of the applicant;

(3) fully describe any violations or investigations by any governmental agency;

(4) fully describe any professional or occupational license discipline or suspension;

(5) fully describe any criminal charges or convictions; and

(6) fully describe any delinquent tax obligation, bankruptcy, or demand or judgment for overdue money by an insurer, insured, pharmacy, or any other claimant, whether involving fraud, misappropriation of funds, failure to exercise good faith and fair dealing in the performance of contractual duties, or for any other reason;

E. provide the identities of any plan sponsors for whom the applicant provides pharmacy benefit manager services in Minnesota, and the identity of any utilization review companies required to be licensed under Minnesota Statutes, chapter 62W, that the applicant uses in Minnesota; and

F. provide the total number of insureds residing in Minnesota for each plan sponsor for which the applicant provides services.

Subp. 3. **Network adequacy report.** As part of any application for a license under this chapter, an applicant must provide a pharmacy network adequacy report to the Department of Health in the manner and form prescribed by the Department of Health. Pharmacy benefit managers must have a network adequacy report approval issued by the Department of Health no less than 90 days prior to the desired license effective date. The Department of Health's review of the report, and any geographic or other restrictions determined by the Department of Health, may become part of any license issued.

Subp. 4. **Fee.** Each initial pharmacy benefit manager application for licensure must be accompanied by a nonrefundable fee of \$8,500. An additional administration fee may be charged by the service provider retained by the commissioner.

Subp. 5. **Updated information required.** If any of the information provided on the initial application under subpart 2, item C, D, or E, changes at any time following submission, the applicant must provide updated information to the commissioner within 30 days of the date the applicant becomes aware of the changed information. If any of the information provided on the network adequacy report changes at any time following submission, the applicant must provide updated information to the Department of Health within 30 days of the date the applicant becomes aware of the changed information.

**Statutory Authority:** *L 2019 c 39 s 20*

**History:** *46 SR 809*

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