

2309#009

## **RULE**

### **Department of Health Board of Pharmacy**

#### **Pharmacy Benefit Managers (LAC 46:LIII.Chapter 30)**

In accordance with the provisions of the Administrative Procedure Act (R.S. 49:950 et seq.) and the Pharmacy Practice Act (R.S. 37:1161 et seq.), the Board of Pharmacy has amended §3003 and §3005 of its rules relative to pharmacy benefit managers to remove the requirement for a pharmacy benefit manager applicant to include copies of governance documents and the standard generic contract template used by the applicant with the initial permit application. Additionally, the board has amended Chapter 30 in its entirety due to Act 536 of the 2022 Regular Session which clarified legislative intent to mandate licensure of pharmacy benefit managers by the Board of Pharmacy. This Rule is hereby adopted on the day of promulgation.

#### **Title 46**

### **PROFESSIONAL AND OCCUPATIONAL STANDARDS**

#### **Part LIII. Pharmacists**

#### **Chapter 30. Pharmacy Benefit Managers**

##### **§3003. Pharmacy Benefit Manager Permit**

A. A pharmacy benefit manager, as defined at R.S. 40:2863, shall obtain and maintain a pharmacy benefit manager permit from the board prior to conducting business in Louisiana if it administers, develops, maintains, performs, or provides one or more of the pharmacy services enumerated in R.S. 40:2868 in the state or that affects one or more beneficiaries of a pharmacy benefit management plan, as defined at R.S. 40:2863, administered by the pharmacy benefit manager.

B. A pharmacy benefit manager permit shall authorize the permit holder to administer pharmacy benefit management services.

C. The board shall not issue a pharmacy benefit manager permit to any person or other entity which has not yet registered with the Louisiana Secretary of State to conduct business within the state.

D. A pharmacy benefit manager permit is not transferable from the original owner. The permit shall not be subject to sale, assignment or other transfer, voluntary or involuntary. Moreover, in the event the ownership of the pharmacy benefit manager changes by 50 percent or more after the initial issuance of the permit, the ownership will be deemed sufficiently different as to require a new pharmacy benefit manager permit. The continued operation of a pharmacy benefit manager permit after its ownership has changed by 50 percent or more shall constitute sufficient basis for the board to issue a finding for the operation of a pharmacy benefit manager without a valid permit, in violation of R.S. 40:2865.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:1253.

HISTORICAL NOTE: Promulgated by the Department of Health, Board of Pharmacy, LR 47:591 (May 2021), amended LR 49:1556 (September 2023).

### **§3005. Permitting Procedures**

#### **A. Application for Initial Issuance of Permit**

1. The board shall develop an application form suitable for the pharmacy benefit manager permit. The board may revise that application form on its own initiative in order to collect the information it deems necessary to properly evaluate an applicant.

2. The board shall not process applications received by facsimile, or that are incomplete, or submitted with the incorrect fee.

3. Once received by the board, an application for the permit shall expire one year thereafter.

4. In the event any information contained in the application or accompanying documents changes after being submitted to the board and before the issuance of the permit, the applicant shall immediately notify the board in writing and provide corrected information.

5. The applicant may be required to personally appear before the board or any of its committees prior to any decision on the permit application.

6. Upon approval of the application, the board shall issue the pharmacy benefit manager permit to the applicant.

#### **B. Application for Renewal of Permit**

1. All pharmacy benefit manager permits shall expire two years after the date of its initial issuance and the renewals shall expire every two years thereafter on that anniversary date.

2. The board shall not process applications received by facsimile, or that are incomplete.

3. In the event a pharmacy benefit manager does not submit a properly completed renewal application to the board prior to the expiration of the permit, the permit shall be rendered null and void. The continued operation of a pharmacy benefit manager with an expired permit shall constitute sufficient basis for the board to issue a finding for the operation of a pharmacy benefit manager without a valid permit, in violation of R.S. 40:2865.

4. A pharmacy benefit manager permit not renewed by 30 days after the expiration date shall be automatically terminated by the board.

#### **C. Application for Reinstatement of Terminated, Suspended, or Revoked Permit**

1. The applicant shall complete the application form for this specific purpose supplied by the board.

2. Upon the receipt of a properly completed application form, the board staff shall refer the application to the board's reinstatement committee for its consideration and shall notify the applicant of the time and place for the committee meeting.

#### **D. Maintenance of Permit**

1. A pharmacy benefit manager permit shall be valid for the entity to whom it is issued and shall not be subject to sale, assignment or other transfer, voluntary or involuntary.

2. Upon receipt of a written request and payment of the fee authorized in R.S. 37:1184, the board shall issue a duplicate or replacement permit to the applicant; however, such duplicate or replacement permit shall not serve or be used as an additional or second permit.

#### **E. Permanent Closure of Permit**

1. In the event the pharmacy benefit manager contemplates permanent closure of the pharmacy benefit manager business, the owner of the permit shall notify the board, in writing, 10 days prior to the anticipated date of closure and surrender its permit.

2. The notice required in this Subsection shall include an acknowledgement of the firm's obligation to maintain copies of all records for all patients and pharmacies in Louisiana for a minimum of two years following the date of closure and surrender of its permit, and further, the point of contact for all inquiries and requests for such records during that two-year period of time.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:1253.

HISTORICAL NOTE: Promulgated by the Department of Health, Board of Pharmacy, LR 47:591 (May 2021), amended LR 48:2105 (August 2022), amended and amended LR 49:1557 (September 2023).

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