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Requirements for Pharmacy Benefits Managers Applying for a Certificate of Registration to do Business in the State of Connecticut

Sec. 38a-479aaa-1. Definitions

As used in section 38a-479aaa-1 to Section 38a-479aaa-5, inclusive, of the Regulations of Connecticut State Agencies:

- (1) “Commissioner” means the Insurance Commissioner;
- (2) “Material modification” means a change in the information provided under section 38a-479aaa-3(a)(1)(A) through (G), inclusive, and under section 38a-479aaa-3(a)(2)(D) of the Regulations of Connecticut State Agencies;
- (3) “Person” means person, as defined in section 38a-1 of the general statutes;
- (4) “Pharmacy benefits manager” means a person as defined in section 38a-479aaa of the Connecticut General Statutes.

(Adopted effective April 7, 2009)

Sec. 38a-479aaa-2. Timing of application and registration

(a) Each person acting as a pharmacy benefits manager on January 1, 2008 shall obtain a certificate of registration from the commissioner on or before April 1, 2008, after completion of an application form containing the information described in section 38a-479aaa-3 of the Regulations of Connecticut State Agencies and approval of the application by the commissioner. All certificates of registration shall expire annually on December 31st of each year. A pharmacy benefits manager that continues to do business in the State after January 1, 2008 shall renew its certificate of registration annually and submit a renewal application to the commissioner by November first annually for a January first effective date of renewal of the certificate of registration.

(b) A person seeking to commence activity as a pharmacy benefits manager in the state after January 1, 2008, shall first apply for, and receive, a certificate of registration from the commissioner as a pharmacy benefits manager, before commencing such activity. Upon receipt of a certificate of registration, such person may perform the business of a pharmacy benefits manager from the effective date of the certificate of registration through December 31 of that year. Thereafter, the pharmacy benefits manager shall renew its certificate of registration on an annual basis as set forth in subsection (a) of this section.

(Adopted effective April 7, 2009)

Sec. 38a-479aaa-3. Contents of application

(a) The filing required from a pharmacy benefits manager shall include the following information:

(1) The identity of the pharmacy benefits manager and any company or organization controlling the operation of the pharmacy benefits manager, including the name, business address, and contact person, for the pharmacy benefits manager and the controlling entity, and, where applicable, the following:

(A) a certificate from the Secretary of the State regarding the pharmacy benefits manager’s and the controlling company’s or organization’s, if applicable, good standing to do business in the state;

(B) the name, address, official position and professional qualifications of each individual responsible for the conduct of the affairs of the pharmacy benefits 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 benefits manager;

(C) the name, address, official position and professional qualifications of each individual who is a member of the controlling company's or organization's board of directors or other policy-making body and of those executive officers who are responsible for the controlling company's or organization's activities with respect to the pharmacy benefits services;

(D) a list of the pharmacy benefits manager's principal owners;

(E) in the case of an out-of-state pharmacy benefit manager, controlling company or organization, a certificate that such pharmacy benefits manager, company, or organization is in good standing in its state of organization;

(F) a report of the details of any suspension, sanction or other disciplinary action relating to the pharmacy benefits manager, or controlling company or organization, in this state or in any other state; and

(G) the name and address of the agent for service of process for the pharmacy benefits manager in the state.

(2) A general description of the pharmacy benefits manager, including:

(A) the geographical service area of the pharmacy benefits manager;

(B) a list of all entities on whose behalf the pharmacy benefits manager has contracts or agreements to provide pharmacy benefits services to state residents;

(C) an approximate number of total enrollees served under all of the pharmacy benefits manager's contracts or agreements in the state and nationwide; and

(D) a contingency plan describing how contracted pharmacy benefits services will be provided in the event of insolvency of the pharmacy benefits manager.

(3) Financial information concerning the pharmacy benefits manager, including:

(A) the most recently concluded fiscal year-end financial statements for the pharmacy benefits manager and its controlling company or organization, which statements have been audited by an independent certified public accountant (CPA) under U.S. generally accepted accounting principles (GAAP);

(B) the names and addresses of the public accounting firm and internal accountant(s) preparing or assisting in the preparation of such financial statements; and

(C) evidence of a surety bond in the amount required pursuant to section 38a-479bbb of the Connecticut General Statutes.

(4) A certification signed by the Chief Executive Officer of the pharmacy benefits manager attesting to the accuracy of the information contained in the filing.

(b) In the event of a material modification to the information provided by the pharmacy benefits manager in its application for a certificate of registration, the pharmacy benefits manager shall file information on the material modification with the commissioner, including supporting documentation, not later than 30 days after such modification.

(Adopted effective April 7, 2009)

Sec. 38a-479aaa-4. Contents of exemption form

A pharmacy benefits manager seeking exemption from registration pursuant to section 38a-479bbb of the Connecticut General Statutes shall notify the commissioner and include the following information in the notification:

(1) the name and address of the pharmacy benefits manager, including the name, address, phone number, and email address of a contact person at the pharmacy benefits manager;

(2) the name and address of the health insurer, health care center, hospital service corporation, medical service corporation, or fraternal benefit society for which entity

the pharmacy benefits manager is operating as a line of business or is an affiliate, and the name, address, phone number, and email address of a contact person at such entity; and

(3) certification by the Chief Executive Officer of the health insurer, health care center, hospital service corporation, medical service corporation, or fraternal benefit society that the pharmacy benefits manager is operating as a line of business under, or affiliate or subsidiary of, such entity.

(Adopted effective April 7, 2009)

Sec. 38a-479aaa-5. Timing of exemption request

(a) For pharmacy benefits managers doing business on January 1, 2008, as set forth in subsection (d) of section 38a-479bbb of the Connecticut General Statutes, the health insurer, health care center, hospital service corporation, medical service corporation, or fraternal benefit society shall make the filing described in section 38a-479aaa-4 of the Regulations of Connecticut State Agencies before April 1, 2008, and thereafter prior to January 1 of each subsequent year, for so long as the pharmacy benefits manager continues to do business in the state, and for so long as the pharmacy benefits manager remains a line of business of, or affiliate or subsidiary of, the entity filing for exemption.

(b) For pharmacy benefits managers commencing business after January 1, 2008, the entity claiming exemption shall file an exemption form as set forth in section 38a-479aaa-4 of the Regulations of Connecticut State Agencies before commencing business in the state, and thereafter prior to January 1st of each subsequent year, under the circumstances set forth in subsection (a) of this section.

(Adopted effective April 7, 2009)