

# PHARMACY BENEFIT MANAGER: KENTUCKY LICENSE PROCESS

Kentucky Department of Insurance

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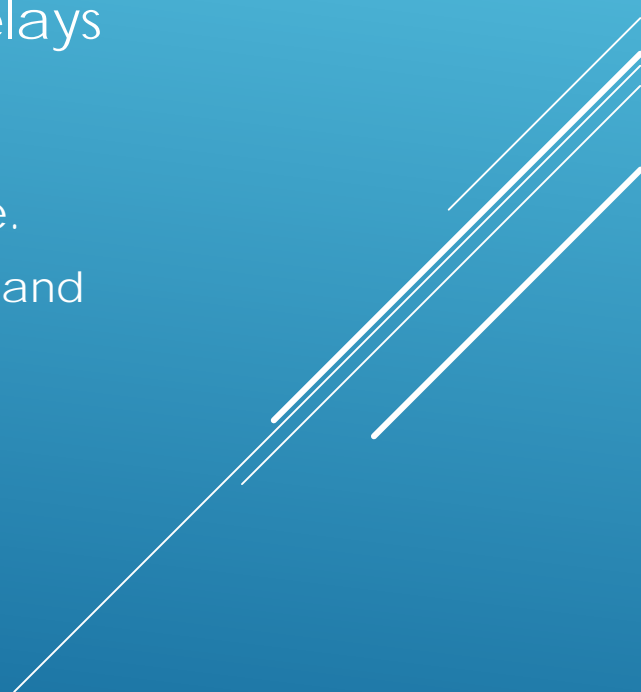
Deputy Commissioner, Policy

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# PBM LICENSE PROCESS EXPERIENCE

- Due to broad definition of PBM (KRS 304.17A-161(4)), the Department has licensed more entities than originally anticipated.
    - For 2019, Kentucky has 45 active PBM licensees.
  - PBM policy and procedures were not documented resulting in delays in license process.
    - Heavy focus on maximum allowable cost appeals process and transparency measures which companies did not have or undertake.
      - For example: How they handle Department inquiries, specific personnel, and timeframes for review.
  - Discover unlicensed PBMs through the complaint process.
  - Evidence of financial responsibility (authorized or surplus lines).
  - Personnel expertise and resource challenges.
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# KENTUCKY SPECIFIC RESOURCES

- PBM Forms
  - Application: <http://insurance.ky.gov/ppc/Documents/pbmlicapp062017.pdf>
  - FAQ: <http://insurance.ky.gov/ppc/Documents/pbmfaqfinal071117.pdf>
- PBM Statutes and Regulations
  - License Statute: <https://apps.legislature.ky.gov/law/statutes/statute.aspx?id=45110>
  - License Review Statute: <https://apps.legislature.ky.gov/law/statutes/statute.aspx?id=45110>
  - License Regulation: <https://apps.legislature.ky.gov/law/kar/806/009/360.pdf>
  - PBM Definition Statute: <https://apps.legislature.ky.gov/law/statutes/statute.aspx?id=45113>
  - MAC/Reimbursement Statute: <https://apps.legislature.ky.gov/law/statutes/statute.aspx?id=45114>
  - MAC/Transparency Regulation: <https://apps.legislature.ky.gov/law/kar/806/017/575.pdf>

THANK YOU!

QUESTIONS TO:

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