

**365:25-29-1. Purpose**

The purpose of this Subchapter is to set forth the regulations and procedures relating to the licensing and oversight of pharmacy benefits managers under 59 O.S. §§ 357-360.

**365:25-29-2. Scope**

This Subchapter shall apply to all pharmacy benefits managers which must be licensed pursuant to 59 O.S. § 358(A).

**365:25-29-3. Authority**

This Subchapter is promulgated under the authority granted to the Insurance Commissioner in 59 O.S. § 358(B).

**365:25-29-4. Surety Bond**

(a) Prior to the issuance of a pharmacy benefits manager ("PBM") license, the PBM applicant shall file with the Commissioner and thereafter keep in effect, as long as the license remains in effect, a surety bond in an amount determined by the Commissioner, and in a form acceptable to the Commissioner. The bond is intended to secure conformity with the laws, rules, and regulations governing pharmacy benefits managers. The bond shall be for the benefit of parties protected by the provisions 59 O.S. §§ 357-360.

(b) The surety bond must provide that no party may cancel the bond without first giving thirty (30) days' written notice to the principal and the Commissioner.

**365:25-29-5. License Application, License Renewals, Fees, and Fines**

(a) An application for a PBM license shall be in a form provided by the Commissioner and shall be accompanied by a fee of One Thousand Dollars (\$1,000.00). This fee shall not be refundable if the application is denied, withdrawn, cancelled, or refused for any reason by either the applicant or the Commissioner.

(b) The PBM license shall continue in force no longer than twelve (12) months from the original month of issuance. Upon filing a PBM license renewal application on a form provided by the Commissioner, a renewal license shall be issued by the Commissioner to a PBM licensee who has continuously maintained such license upon payment of a renewal fee of Five Hundred Dollars (\$500.00).

(c) If the PBM fails to timely apply for renewal of its license or fails to pay any applicable fees or outstanding fines by the last day of the month in which the license was originally issued, the license shall expire automatically. After expiration, the PBM license may be reinstated for up to one (1) year following the expiration date upon filing a PBM license renewal application on a form provided by the Commissioner and the payment of a reinstatement fee of One Thousand Dollars (\$1,000.00). If after the one-year date the license has not been reinstated, the licensee shall be required to apply for a license as a new PBM licensee applicant.

(d) In the event that the Commissioner declines to issue or renew a PBM license for any of the reasons provided in 59 O.S. § 358(D), the Commissioner shall notify the applicant or licensee of such declination and advise the applicant or licensee, in writing, of the reason for the declination. The applicant or licensee may make written demand upon the Commissioner within thirty (30) days of the date of notification by the Commissioner for a hearing before the Commissioner or an independent hearing examiner appointed by the Commissioner to determine the existence of

the grounds provided in 59 O.S. § 358(D) for the Commissioner's action. The hearing shall be held within a reasonable time period pursuant to the Oklahoma Administrative Procedures Act.

(e) After notice and opportunity for hearing, and upon determining that the PBM has violated any of the provisions of 59 O.S. §§ 357-360 of the Oklahoma Statutes, or upon finding the existence of grounds to decline the issuance or renewal of such license, the Commissioner may suspend or revoke a PBM's license, assess a civil penalty of not less than Five Hundred Dollars (\$500.00) nor more than Five Thousand Dollars (\$5,000.00) for each instance of violation, or both. The payment of the penalty may be enforced in the same manner as civil judgments may be enforced.