PHARMACY BENEFIT MANAGER

Application For License, Renewal, Change & Reporting Instructions. (Changes require a new application.
Integral changes will require an additional licensing fee of $500.)

License Period: January 1st through December 31st Annually

Pursuant to Miss. Code Ann. § 73-21-103; “Before beginning to do business as a pharmacy benefit manager, a pharmacy benefit manager shall obtain a license to do business from the board. To obtain a license, the applicant shall submit an application to the board on a form to be prescribed by the board.”

A NON-REFUNDABLE license fee of $500.00 must accompany this Application to be considered complete.

PLEASE RETURN PAGES FIVE (5) THROUGH NINE (9).
**PHARMACY BENEFIT MANAGER (PBM)**

- Instructions and Frequently Asked Questions -
- • For Both Initial License Application and Renewals •

**READ CAREFULLY**

➢ The following ‘Application for License / Pharmacy Benefit Manager’ should be used for ALL PBM including Initial PBM applications, Renewal applications and Integral Changes in the PBM.

➢ **BE PROMPT AND ON TIME**

A complete Application for Pharmacy Benefit Manager License, as prescribed by the MISSISSIPPI BOARD OF PHARMACY, must be received by the Board **postmarked no later than December 31st annually**. Licenses are issued for the calendar year or January 1st through December 31st. ‘Pro Rata’ licenses are not allowed. **ALL APPLICATIONS NOT POSTMARKED ON OR BEFORE DECEMBER 31ST WILL BE HELD AS ‘PENDING’, A LATE FEE OF $500.00 WILL BE ASSESSED AND NOT PROCESSED UNTIL THE LATE FEE IS RECEIVED; THE ISSUE WILL BE FORMALLY BROUGHT BEFORE THE BOARD FOR CONSIDERATION OF AN ADDITIONAL MONETARY PENALTY AND/OR OTHER ACTION.**

- **Pursuant to Miss. Code Ann. § 73-21-103;** “Before beginning to do business as a pharmacy benefit manager, a pharmacy benefit manager shall obtain a license to do business from the board. To obtain a license, the applicant shall submit an application to the board on a form to be prescribed by the board.”

- **Pursuant to Miss. Code Ann. § 73-21-103 (d) (vii);** “a monetary penalty of $1000.00 per day may be imposed upon any Pharmacy Benefit Manager that practices or does business without a license.”

➢ **DO NOT FORGET TO INCLUDE PAYMENT**

A NON-REFUNDABLE license fee of **$500.00** must accompany this application to be considered complete. [Make check payable to the MISSISSIPPI BOARD OF PHARMACY.]

➢ **“WE ARE NOT A PHARMACY BENEFIT MANAGER (PBM)”**

Effective July 1, 2014 a new definition of Pharmacy Benefit Manager became effective. This is now a part of Mississippi Code Annotated of 1972 § 73-21-179 Definitions, (d). [see below]

(d) "Pharmacy benefit manager" means a business that administers the prescription drug/device portion of pharmacy benefit management plans or health insurance plans on behalf of plan sponsors, insurance companies, unions and health maintenance organizations. Pharmacy benefit managers may also provide some, all, but may not be limited to, the following services either directly or through outsourcing or contracts with other entities:

(i) Adjudicate drug claims or any portion of the transaction.
(ii) Contract with retail and mail pharmacy networks.
(iii) Establish payment levels for pharmacies.
(iv) Develop formulary or drug list of covered therapies.
(v) Provide benefit design consultation.
(vi) Manage cost and utilization trends.
(vii) Contract for manufacturer rebates.
(viii) Provide fee-based clinical services to improve member care.
(ix) Third-party administration.

We hear from some PBMs that “we do not do business in Mississippi” or “we are not a PBM”.

The definition of a Pharmacy Benefit Manager will be determined by the definition above. This definition determines whether you are a PBM under Mississippi Law.

The determination of whether you do business in Mississippi is based upon the transaction. If the transaction occurs in Mississippi, the patient is in Mississippi, the prescription is shipped into Mississippi, etc. - you are then doing business in Mississippi.

Example: The patient does not live in Mississippi but is traveling through Mississippi and stops at a national chain pharmacy in Mississippi to fill or refill a prescription. In this instance, because the transaction took place within our State and you are doing business in Mississippi. If, for any reason, this issue is brought before the Mississippi Board of Pharmacy, the Board would have to consider penalties for operating in Mississippi without a license which could be much more than the $500.00 annual licensing fee.

Our recommendation is that you seriously consider this before you determine you do not need to be licensed in Mississippi.

CONTACT INFORMATION
Corporate and Compliance contact phone numbers and email addresses MUST provide direct access to ‘decision making authority’. Call Centers or Service Centers WILL NOT be accepted. These numbers and addresses WILL BE tested.

SECTION 5:
This section relates directly to the operations of your company as it relates to the Law or Statutes in Mississippi. The Mississippi Board of Pharmacy expects ALL licensees to follow ALL the laws of the State of Mississippi. All licensees will be held accountable and responsible for such.

SECTION 6, QUESTION 1:
A certified record of “Certificate of Good Standing” and, if applicable, a “Certificate of Existence” from the Office of the Mississippi Secretary of State. (REQUIRED EVEN IF DOMICILED IN ANOTHER STATE.) This is required by Mississippi Board of Pharmacy regulation ARTICLE XLV, 2., A., a., ii.

REPORTING OF AUDITED FINANCIAL STATEMENTS:

- THE REPORTING PERIOD MUST BE FOR THE PREVIOUS FISCAL YEAR.
- ‘AUDITED FINANCIAL STATEMENT’ MEANS a provider's financial statement that has been prepared in accordance with generally accepted accounting principles and that has been audited by an independent certified public accountant in accordance with generally accepted auditing standards and includes notes to the financial statement.”
• IF YOUR AUDITED FINANCIAL STATEMENT IS NOT AVAILABLE BY THE MARCH 1\textsuperscript{ST} REPORTING DEADLINE, YOU MAY PROVIDE A PRELIMINARY INTERNAL FINANCIAL STATEMENT ALONG WITH A PROJECTED DATE THAT WE MAY EXPECT TO RECEIVE FROM YOU THE FINAL AUDITED STATEMENT. THIS PRELIMINARY REPORT MUST BE IN OUR OFFICE NO LATER THAN THE MARCH 1\textsuperscript{ST} REPORTING DEADLINE REQUIRED BY STATUTE AND PRINTED BELOW.

• REQUIRED WITH AN INITIAL APPLICATION FOR A PBM LICENSE

• FINANCIAL STATEMENTS ARE NOT REQUIRED WITH THE PBM RENEWAL APPLICATION AS LONG AS THE MARCH 1\textsuperscript{ST} REPORTING REQUIREMENT IS MET.

• IF YOU ARE NOT A PUBLICALLY HELD COMPANY AND YOU WISH FOR FINANCIAL STATEMENTS TO BE HELD AS ‘CONFIDENTIAL’ YOU MUST MARK ALL DOCUMENTS AS CONFIDENTIAL.

• AT THIS TIME FINANCIAL STATEMENTS SHALL INCLUDE YOUR MOST RECENT PROFIT AND LOSS STATEMENT AND BALANCE SHEET.

**MISSISSIPPI STATUTE:**
Each PBM providing pharmacy benefit management plans or services in the State of Mississippi must file a financial statement with the Board annually by March 1\textsuperscript{st} or within sixty (60) days of the end of its fiscal year if not a calendar year. [Miss. Code Ann. § 73-21-157]

• The statement must be verified by at least two (2) principal officers with original signatures verifying that the financial statements are true and correct and shall cover the preceding calendar year or the immediately preceding fiscal year of the PBM. The statement shall include:
  ▪ A financial statement of the organization, including its balance sheet and income statement for the reporting period.
  ▪ A complete list of all companies acquired, mergers or divestitures for the reporting period.
  ▪ A list of names and addresses of all insurers with which the PBM had an agreement during the preceding fiscal year.
  ▪ Company information including specific contact information.
  ▪ Any other information relating to the operations of the PBM required by the Board.

**ALL DOCUMENTS SHOULD BE MAILED TO:**

Attention: PBM Administrator
MISSISSIPPI BOARD OF PHARMACY
P. O. Box 1122
Madison, Mississippi 39130-1122
sparker@mbp.ms.gov

Frank Gammill
Executive Director
MISSISSIPPI BOARD OF PHARMACY
**APPLICATION FOR LICENSE**  
**PHARMACY BENEFIT MANAGER (PBM)**

Licensing Period is January 1st through December 31st Annually.  Fee $500.00

This Application Form is required for Pharmacy Benefit Manager Licensure pursuant to Miss. Code Ann. § 73-21-157, MISSISSIPPI CODE of 1972.

Any answers, explanations, or omissions found to be false or deceptive may result in the Board denying issuance of, or permanent revocation of, your license in the State of Mississippi.

### Section 1: Application Information (Check One)

- [ ] Initial Application w/ MBOP  
- [ ] Renewal Application w/ MBOP (License # 14,__________)

### Section 2: Applicant (Business Entity) Information

- **Corporate Name of PBM:**  
- **Federal ID#:**

  **DBA/Trade Name (If applicable):** (Please list ALL used. Use a separate sheet if necessary.)

  **Name of PBM’s Parent Company:** (If other than Corporate Name above):

  **Business Address:** (Including City, State & Zip)

  **Mailing Address (If different):** (Including City, State & Zip)

  **State in which PBM is Incorporated:**

  **Corporate Offices Direct Telephone #:**

  **Does the PBM hold any other licenses, registrations or permits in Mississippi?**  
  (If yes list details – List all on separate sheet if needed.)

  **When does your fiscal year end?**

### Section 3: Contact Information (Corporate Officer)

- **Name:**  
- **Title:**

- **Mailing address:**  
- **Direct Phone #:**  
- **E-mail Address:**
APPLYING FOR LICENSE
PHARMACY BENEFIT MANAGER

Compliance Officer Contact with Responsibility for MISSISSIPPI OPERATIONS
*(REQUIRED)*
(The intent of this item is for you to provide a contact with “decision making authority” for use by the Board in contacting the company. This should NOT be a phone bank, call center or a customer service number, but a specific person.)

<table>
<thead>
<tr>
<th>Name:</th>
<th>Title:</th>
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</table>

Mailing address:  Direct Phone #:  E-mail Address:

Section 4:  APPLICANT BACKGROUND INFORMATION

Attach a full explanation and/or the requested information for questions below as an attachment to this application. Failure to provide the required attachments or any omissions may result in the denial of this Application. SUPPORT YOUR ANSWER WITH A BRIEF EXPLANATION. USE ADDITIONAL ATTACHMENTS IF NECESSARY.

Has the Applicant been refused a registration, license or certification to act as (or provide the services of) a Pharmacy Benefit Manager, Pharmacy Benefit Management Plan, Pharmacy Benefits Processor, Third Party Administrator, Third Party Provider, etc., or has any registration, license or certification to act as such been denied, suspended, revoked or non-renewed for any reason by any state or federal entity?

□  □  YES  NO

Has the Applicant ever been found liable in any lawsuit or arbitration proceeding involving allegations of fraud, illegal or dishonest activities in connection with the administration of pharmacy benefit management services?

□  □  YES  NO

Has the Applicant had a business relationship with an insurance company terminated for any alleged fraudulent, illegal or dishonest activities in connection with the administration of pharmacy benefit management services?

□  □  YES  NO

Has the Applicant, Parent company or any company or organization controlling the operation of the Pharmacy Benefit Manager experienced any data security breaches or HIPAA security breaches? (If YES please attached all pertinent information concerning any data security breach. Any future data security breach must be reported immediately to the Mississippi Board of Pharmacy.)

□  □  YES  NO
**APPLICATION FOR LICENSE**

**PHARMACY BENEFIT MANAGER (PBM)**

Section 5: **PHARMACY BENEFIT MANAGER OPERATIONS**

Attach a full explanation for any questions as an attachment to this application. Failure to provide the required Attachments or any omissions may result in the denial of this Application.

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
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<tbody>
<tr>
<td>Does the Applicant conduct audits of pharmacies and pharmacists in accordance with the provisions of Miss. Code Ann. § 73-21-175 through 73-21-191 (2013) also known as the ‘PHARMACY AUDIT INTEGRITY ACT’?</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Does the Applicant have an internal grievance process for patients or pharmacies? If so list the contact information.</td>
<td>☐</td>
<td>☐</td>
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<tr>
<td>Does the Applicant conduct therapeutic interchange; does the applicant’s program comply with Article XII of the Mississippi Pharmacy Practice Act?</td>
<td>☐</td>
<td>☐</td>
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<tr>
<td>Does Applicant comply with Miss. Code Ann. § 73-21-151 through § 73-21-159 known as the ‘PHARMACY BENEFIT PROMPT PAY ACT’, including, but not limited to, item § 73-21-155 item (2) - reading: &quot;Pharmacy benefit managers, their agents and other parties responsible for reimbursement for prescription drugs and other products and supplies shall be required to update the nationally recognized reference prices or amounts used for calculation of reimbursement for prescription drugs and other products and supplies no less than every three (3) business days.” Three (3) business days are required by statute and cannot be changed by the Board of Pharmacy.</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>In accordance with Miss. Code Ann. § 73-21-106, does the Applicant own, operate or affiliate with any pharmacy located outside the State of Mississippi that ships, mails or delivers in any manner, controlled substances, prescription or legend drugs or devices into this State?</td>
<td>☐</td>
<td>☐</td>
</tr>
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</table>
### Section 6: REQUIRED ADDITIONAL INFORMATION

ATTACH DETAIL EXPLANATIONS AS AN ADDENDUM TO THIS APPLICATION:

<p>| | |</p>
<table>
<thead>
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<tbody>
<tr>
<td>1.</td>
<td>A certified record of “Certificate of Good Standing” and, if applicable, a “Certificate of Existence” from the Office of the Mississippi Secretary of State. (REQUIRED EVEN IF DOMICILED IN ANOTHER STATE.)</td>
</tr>
<tr>
<td>2.</td>
<td>In the case of a Pharmacy Benefit Manager being domiciled outside of the State of Mississippi; a certificate of good standing from the appropriate official State entity where the Pharmacy Benefit Manager, company or organization is domiciled.</td>
</tr>
<tr>
<td>3.</td>
<td>A report containing the details of any suspension, sanction, penalty or other disciplinary action relating to the Pharmacy Benefit Manager, controlling company or organization, in the State of Mississippi or any other State, territory or country.</td>
</tr>
<tr>
<td>4.</td>
<td>The name and address of the Agent of Record or for services of process for the Pharmacy Benefit Manager in Mississippi.</td>
</tr>
<tr>
<td>5.</td>
<td>A list of the Pharmacy Benefit Manager’s principle owners.</td>
</tr>
<tr>
<td>6.</td>
<td>A description of the geographical services area of the Pharmacy Benefit Manager.</td>
</tr>
<tr>
<td>7.</td>
<td>A list of all entities on whose behalf the Pharmacy Benefit Manager has contracts or agreements to provide pharmacy benefit services.</td>
</tr>
<tr>
<td>8.</td>
<td>The number of total enrollees or lives served under all of the Pharmacy Benefit Manager’s contracts or agreements in Mississippi (separately) and nationwide (inclusively).</td>
</tr>
<tr>
<td>9.</td>
<td>Your contingency plan describing how contracted Pharmacy Benefit services will be provided in the event of insolvency of the Pharmacy Benefit Manager.</td>
</tr>
<tr>
<td>10.</td>
<td>The most recently concluded fiscal year-end financial statement(s) for the Pharmacy Benefit 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).</td>
</tr>
<tr>
<td>11.</td>
<td>The name(s) and address(s) of the public accounting firm and internal accountant(s) preparing or assisting in the preparation of such financial statements.</td>
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## APPLICATION FOR LICENSE
### PHARMACY BENEFIT MANAGER (PBM)

<table>
<thead>
<tr>
<th>Section 7</th>
<th>INSTRUCTIONS</th>
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<tbody>
<tr>
<td>A COMPLETE APPLICATION MUST BE RECEIVED BY THE BOARD POSTMARKED NO LATER THAN DECEMBER 31ST TO BE CONSIDERED NON-DELINQUENT.</td>
<td></td>
</tr>
</tbody>
</table>

A NON-REFUNDABLE license fee of $500.00 must accompany this Application to be considered complete.  
Make check payable to:
MISSISSIPPI BOARD OF PHARMACY  
6360 Interstate 55 North, Suite 400  
Jackson, Mississippi 39201

Pursuant to Miss. Code Ann. § 73-21-103 (d) (vii); a monetary penalty of $1000.00 per day may be imposed upon any Pharmacy Benefit Manager that practices or does business in the State of Mississippi without a license.

FOR RENEWALS:  
Pursuant to Miss. Code Ann. § 73-21-91 (c) (ii); “Any license renewal received postmarked after December 31 of the renewal period will be returned and a Five Hundred Dollar ($500.00) late renewal fee will be assessed before renewal.

<table>
<thead>
<tr>
<th>Section 8</th>
<th>APPLICANT CERTIFICATION and ATTESTATION</th>
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<tbody>
<tr>
<td>WHOEVER KNOWINGLY AND WILLFULLY MAKES OR CAUSES TO BE MADE A FALSE STATEMENT OR REPRESENTATION MAY BE PROSECUTED UNDER APPLICABLE STATE LAWS. IN ADDITION, KNOWINGLY AND WILLFULLY FAILING TO FULLY AND ACCURATELY DISCLOSE THE INFORMATION REQUESTED MAY RESULT IN DENIAL OR REVOCATION OF LICENSE.</td>
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</table>

The information required herein is continuing in nature and, as the individual responsible for preparing this document, I agree to furnish an update on any information in this application.

As the authorized representative of the Applicant, I hereby certify under penalty of perjury, that:  
All of the information submitted in this application and attachments is true and complete. I am aware that submitting false information or omitting pertinent or material information in connection with this application may be grounds for revocation or denial of licensure and may subject me to civil or criminal penalties. Applicant understands and will comply with the laws and regulations of the State of Mississippi to which application for licensure is hereby made:

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SIGNATURE (CHIEF EXECUTIVE OFFICER)  
DATE

PRINTED NAME  
CEO /

TITLE