State of New Jersey
DEPARTMENT OF BANKING AND INSURANCE
OFFICE OF THE COMMISSIONER
PO BOX 325
TRENTON, NJ 08625-0325

TEL (609) 633-7667

MIKIE SHERRILL
Governor

DR. DALE G. CALDWELL
Lt. Governor

SUSAN OCHS
Acting Commissioner

BULLETIN NO. 26-04

TO: **PHARMACY BENEFITS MANAGERS AND PHARMACY SERVICES ADMINISTRATIVE ORGANIZATIONS OPERATING IN NEW JERSEY**

FROM: **SUSAN OCHS, ACTING COMMISSIONER**

RE: **PBM LICENSURE AND PSAO REGISTRATION APPLICATIONS; AUDITED FINANCIAL STATEMENTS; AND CONFIDENTIALITY OF INFORMATION, SUPPLEMENT TO BULLETIN NO. 24-18**

This Bulletin supplements Bulletin No. 24-18, which provided guidance to Pharmacy Benefits Managers ("PBMs") and Pharmacy Services Administrative Organizations ("PSAOs") regarding certain licensure and reporting requirements under P.L. 2023, c. 107, which amended N.J.S.A. 17B:27F-1 et seq. ("Act"). The Department of Banking and Insurance ("Department") is in the process of promulgating regulations to effectuate the purposes of the Act.

PBM Licensure and PSAO Registration Applications – PBMs File by July 31, 2026

Pursuant to N.J.S.A. 17B:27F-1.1, PBMs must be licensed, and PSAOs must be registered, by the Department to operate in New Jersey. The Department reminds PBMs that have submitted a Notification of Organized Delivery System Anticipated Application that they are authorized to continue operating in New Jersey during the licensure process, provided that such authorization shall not extend beyond December 31, 2026.

PBMs that have not yet submitted a complete PBM license application to the Department should file their application by July 31, 2026 to ensure there is no lapse in their authority to operate as a PBM in New Jersey. Submission by July 31, 2026 will allow the Department sufficient time to review applications and request additional information if necessary to complete the licensing process prior to the statutory deadline.

PBM license applications and PSAO registration applications shall be submitted electronically through the National Insurance Producer Registry's ("NIPR") secure electronic filing system at https://nipr.com/licensing-center. Application instructions are available on the Department's website at https://www.nj.gov/dobi/division_insurance/pharmacybenefitsmanagers/index.html.

The effective date of the PBM license and PSAO registration will be the date the license or registration is approved by the Department. The license or registration will be valid for a period of three years. If the application for licensure or registration is denied, the Department will notify

the applicant in writing. The applicant may request a hearing by notice to the Commissioner no later than the 30th day following receipt of the notice of denial. See also, Bulletin No. 24-18.

Questions regarding PBM and PSAO licensure and registration requirements may be sent to pharmacyfilings@dobi.nj.gov.

Audited Financial Statements

PBMs and PSAOs must submit calendar year audited financial statements as part of their licensure or registration applications. The Department has considered input from PBMs and PSAOs indicating that many entities prepare audited financial statements on a fiscal year basis rather than on a calendar year basis. Accordingly, the Department will permit PBMs and PSAOs to submit audited financial statements prepared on a fiscal year basis. Until regulations are promulgated, the Department will also consider consolidated audited financial reports of a parent that reflects the PBM/PSAO separately on a schedule; as well as financial reports that are certified but may not necessarily contain an audit opinion.

Confidentiality of Information

This section clarifies the public and confidential status of information submitted in connection with the Application. The following guidance applies.

I. Public Information

The following information is generally public and may be disclosed:

- Legal name and doing-business-as (DBA) or trade name.
- Business address, business telephone and fax numbers, website, and state of domicile.
- Federal Employer Identification Number (FEIN), to the extent not used as a confidential identifier in another jurisdiction.
- License number, license type (initial or renewal), license status (e.g., actives, suspended, revoked), and effective and expiration dates.
- Name and business address of the New Jersey agent for service of process, and general business contact information (business phone and email of the contact person).
- High-level description of the company's business and services that does not reveal proprietary methods (e.g., that the PBM provides claims adjudication, network management, rebate administration, and related services in New Jersey).
- Non-sensitive, high-level organizational information, such as the general form of organization (corporation, LLC, partnership, etc.) and that the PBM or PSAO is owned or controlled by a parent company, without disclosing proprietary internal terms.
- Aggregate, non-identifying financial and operational data from annual filings (e.g., total and New Jersey revenue, net income or loss, total rebates received and passed through, aggregate spread-pricing totals, aggregate overpayment and audit totals, aggregate administrative fees, counts of plans by pricing model, aggregate revenue and net income by model, and concentration percentages without naming specific customers or vendors).
- That the PBM contracts with certain categories of entities (e.g., pharmacies, PSAOs, health plans, manufacturers, rebate aggregators, switch companies, wholesalers) without disclosing specific counterparties, proprietary terms, or competitively sensitive details.

II. Confidential Information

The following information is confidential and not subject to public disclosure:

- While an application for licensure or registration is pending, all submitted materials.
- Detailed ownership and control information, including ownership charts, ownership percentages, and identifying information for parent companies and affiliates.
- Detailed business plans and operational descriptions that reveal proprietary strategies, methods, algorithms, programs, or internal processes.
- Contracts and contract forms with pharmacies, PSAOs, carriers, manufacturers, rebate aggregators, switch companies, wholesalers, and other service providers, including exhibits, fee schedules, and material transaction descriptions.
- Detailed lists of counterparties and affiliations where disclosure would reveal competitively sensitive network, rebate, or supply-chain arrangements.
- Audited financial statements and detailed financial schedules submitted with the application and annual filings.
- Multi-year financial projections and the assumptions underlying those projections.
- Detailed explanations of compensation and rebate arrangements that disclose specific pricing, spread-pricing structures, guarantees, or other proprietary terms.
- Listings of rebates paid by the PBM to specific entities, including amounts paid to each.
- Detailed descriptions of administrative, civil, or criminal actions and proceedings that include non-public or sensitive information.
- Plan-level information such as services provided to each plan and enrollee or beneficiary counts where disclosure could have competitive impact.
- PBM-specific New Jersey claim volume data when, in context, disclosure may become competitively sensitive.
- Narrative explanations regarding compensation, spread pricing, or rebate practices that mix general policy descriptions with proprietary strategies or contract-specific terms.

III. Public Information Released with Redactions

The following records are generally disclosable, but will be released only after redaction of confidential information:

- Biographical affidavits and similar personal history materials for owners, officers, directors, or other key persons, released with redaction of personal identifiers like social security numbers, dates of birth, residential addresses, and personal phone numbers or email addresses of any individual.
- Narrative responses that mix general, non-sensitive descriptions with contract-specific, proprietary, or personally identifying details.
- Lists of regulatory or enforcement actions where final public orders are disclosable, but attached or embedded sensitive information must be redacted.
- Portions of annual filings containing otherwise public aggregate data presented alongside proprietary or counterparty-specific information.

7/9/2026

Date

Susan Ochs
Acting Commissioner

jd PBM PSAO Supplement to bulletin 24-18