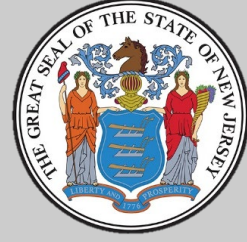


**New Jersey Department of Banking & Insurance  
Division of Insurance  
Office of Solvency Regulation**

PO Box 325  
Trenton, NJ 08625-0325  
Tel (609) 292-7272  
Fax (609) 292-6765



## **Application to Obtain Pharmacy Benefits Manager (PBM) License**

The information required for this application is based on the PBM Act, in accordance with N.J.S.A. 17B:27F et seq. Additional information may also be requested by the Department if deemed necessary during the review process.

**All PBM applications must be submitted electronically via the National Insurance Producer Registry (“NIPR”)’s secure website at <https://nipr.com/>.**

A PBM license is valid for three years from the date of approval and can submit the renewal application starting six months before its expiration date.

The initial license fee is \$10,000, with a renewal fee of \$10,000 for each additional three-year term. Please submit payment via the NIPR, which includes a \$5.60 processing fee per PBM application. All fees are non-refundable and must be paid at the time of application submission.

If you encounter difficulties with the online application or have any questions, please reach out to the Department at [pharmacyfilings@dob.nj.gov](mailto:pharmacyfilings@dob.nj.gov).

Please note that the applicant is the PBM seeking licensure, not the individual employee submitting the application. When selecting the applicant type, choose 'Business Entity,' and for the product type, select Other Licensing.

For 'Residency Type,' select the button corresponding to the PBM's state of residency. Choose 'Resident' if New Jersey is the state of domicile, 'Non-Resident' for any other state, or 'Non-Resident (No Home State)' if there is no state of residency or the state does not use NIPR. **\*Please note that the NIPR system recognizes the business address, not the mailing address, to be the resident state. If the PBM was formed or incorporated in a state other than New Jersey but uses New Jersey as its main business address, select 'Resident.'**

**When choosing the New Jersey license type, please only click on PBM. Clicking on additional license types will apply for multiple licenses which may incur additional non-refundable fees & delay the review process.**

In the 'Owners, Partners, Officers, and Directors' section, list all officers with their titles and any ownership percentages in the PBM. If the PBM has a parent company, include details for the direct parent company and, if applicable, the ultimate parent company under 'Company Owners.' Ensure the parent company's name ends with '(Direct Parent Company)' or '(Ultimate Parent Company)' as appropriate.

**\* In addition to the NIPR application process above, provide each of the below Checklist items.**

**Submit the below application materials to the NIPR's Attachment Warehouse. Missing documents will delay the application process.** Please note that other states using the NIPR can access these documents, which may aid in meeting their licensing requirements, but they will not be accessible to the general public. If you prefer not to share certain documents with other state Departments of Insurance, please send them directly to [pharmacyfilings@dob.nj.gov](mailto:pharmacyfilings@dob.nj.gov).

All sections are mandatory. If your answer is 'No' or 'None,' please indicate this rather than leaving any item blank. If multiple responses fit on one page, you may submit them in a single document.

**State of New Jersey**  
**Pharmacy Benefits Manager (PBM)**  
**Application Cover Page**

Complete Name of Applicant

Doing business as (DBA) Name or Trade Name, if applicable

Address

City

County

State

Zip Code

Telephone Number

Facsimile Number

Website Address

FEIN \_\_\_\_ - \_\_\_\_

State of Domicile \_\_\_\_\_

**Agent for Service of Process in New Jersey**

Name

Address

**Contact Person**

Name

Email Address

Phone Number

**CERTIFICATION STATEMENT**

I certify that all information set forth in the enclosed application and herein is true to the best of my knowledge and belief and that the Commissioner of Banking and Insurance may rely on the information set forth in the application and herein in determining whether to grant a license.

Print Full Name of Authorized Representative and Title

Authorized Representative Signature (may be electronic)

Date

Telephone Number

Email Address

Provide a response for each item below, and attach supporting materials as needed:

### **Organizational**

1. Provide a description of the PBM. Discuss any entities that share common boards and/or management with the PBM and their relationship to it. Include a summary of these entities' current activities and a detailed description of the proposed PBM's experience in managing pharmacy costs. Describe the PBM's proposed methods and locations of operation, along with a general outline of the significant procedures and programs.
2. Include all organizational documents relevant to the applicant's business form and any amendments, such as the operating agreement, articles of organization, articles of incorporation, articles of association, charter, partnership agreement, trade name certificate, trust agreement, shareholder agreement, certificate of authority, certificate of formation or other applicable documents.
3. Attach the bylaws, rules, regulations, or other documents governing the conduct of the applicant's internal affairs.
4. If the PBM is owned and/or controlled by a parent company, include the direct parent company, the ownership percentage, and the FEIN of the direct parent company. Also include a chart to capture all entities with ownership greater than 10%, the ultimate controlling parties of those owners and other entities that the ultimate controlling party controls.
5. Provide a fully completed and notarized Biographical Affidavit for each officer, director, or person owning 10% or more of the PBM. These should be the same people listed on the application from the NIPR. The biographical affidavit (NAIC UCAA Form 11) is available on the NAIC's website at [UCAA Biographical Affidavit](#).

### **Business**

6. Provide a statement generally describing the applicant, its facilities, personnel, and the PBM services it offers.
7. Include a copy of the standard agreement form between the applicant and pharmacies concerning the provision of PBM services.
8. Include a copy of the contract form between the applicant and any carrier for the provision or arrangement of pharmacy benefits management services. This contract must outline the respective duties of the carrier and the applicant concerning compliance with N.J.S.A. 26:2S-1 et seq.
9. For each contract to be made between the applicant and any other person providing PBM services, include:
  - a. A list of key persons providing the services, along with their geographical area.
  - b. A list of any affiliate providing services to the applicant in this State and a description of any material transactions between the affiliate and the applicant.
  - c. A description of the PBM services or benefits offered or proposed by the applicant.
  - d. A description of how the availability and accessibility of pharmacy benefits to enrollees or contract holders will be assured.
  - e. A description of how the applicant will be compensated for each contract with a carrier.
10. Provide a list of all administrative, civil, or criminal actions and proceedings involving the applicant or its affiliates, including their resolution. Indicate if any license, certificate, or authority to operate has been refused, suspended, or revoked by any jurisdiction, include any related orders, proceedings, and determinations.
11. Provide the total number of claims the PBM adjudicated for pharmacies in this State during the prior calendar year.

12. Provide a list of each pharmacist or pharmacy in this State and any pharmacy services administrative organization with membership in this State with which the PBM contracts for administering pharmacy benefits for health benefits plans. Identify whether the PBM has any ownership, financial interest, or affiliation with these entities.
13. List each manufacturer with which the PBM contracts for administering pharmacy benefits for health benefits plans, including any ownership interest or affiliation with the manufacturer.
14. List each rebate aggregator with which the PBM contracts for administering pharmacy benefits for health benefits plans, including any ownership interest or affiliation with the rebate aggregator.
15. List each switch company with which the PBM contracts for administering pharmacy benefits for health benefits plans, including any ownership interest or affiliation with the switch company.
16. List each wholesaler with which the PBM contracts for administering pharmacy benefits for health benefits plans, including any ownership interest or affiliation with the wholesaler.
17. Provide a list of each health benefits plan with which the PBM currently has a contract to perform services in this State. Include a description of the services provided to each plan and the number of enrollees or beneficiaries covered by each plan for the preceding calendar year.

### **Financial**

18. Provide copies of the applicant's most recent year-end audited financial statements, excluding any parent company. The financial statements should reflect the current year and prior year results.
19. Provide a detailed copy of the PBM's financial projections for three years:
  - (i) Balance sheet, income statement, and statement of cash flows.
  - (ii) Assumptions used to establish the projections.
20. A PBM is generally compensated in one of two primary ways:
  - (i) Administrative Fee Basis: This method involves payment through:
    - a. Retainer: A fixed fee paid regularly.
    - b. Per Claim Fee: A fee based on each processed claim.
    - c. Other Arrangements: Similar methods of compensation.
  - (ii) Spread Pricing (Risk Mitigation Pricing Model): Under this method, the payor may either forego paying or pay a reduced administrative fee. The PBM retains certain risks related to the difference between the amount paid by the customer and the amount paid to the pharmacy.

Explain in detail how the applicant is compensated in relation to the above methods. If the PBM is using spread pricing, please highlight where in the contract with the carrier it discusses spread pricing.

21. Explain in detail the PBM's usage of rebates including the following:
  - a. 100 percent pass-through – The PBM passes 100 percent of the rebate back to the plan sponsor.
  - b. Proportional pass-through – The PBM keeps a percentage of the rebate and passes the remainder back to the plan sponsor.
  - c. At Risk – The PBM keeps 100 percent of the rebate but guarantees a certain level of rebate to the customer. i.e., PBM is “at risk” for the difference between the guarantee and actual rebates received.

22. Provide a listing of rebates paid by the PBM to all entities. Identify each entity and the amount paid to each entity during the last calendar year – reconciled to the financial statements provided in #20 above.