

Pharmacy Benefit Manager Registration – Frequently Asked Questions

1. What is Assembly Bill 315 (Wood, Ch. 905, Stats. 2018)?

Assembly Bill 315 (AB 315) defines a Pharmacy Benefit Manager (PBM), and establishes additional contracting requirements for PBMs, health care service plans (plans), and other purchasers. AB 315 requires PBMs contracting with plans to register with the Department of Managed Health Care (DMHC). AB 315 established a pilot project within Sonoma and Riverside counties from January 1, 2020, through January 1, 2023, to assess the impact of plans and PBM prohibitions on the dispensing of certain amounts of prescription drugs by network retail pharmacies. AB 315 created a Task Force on Pharmacy Benefit Management Reporting within the DMHC from July 1, 2019, through February 1, 2020, to determine what information related to pharmaceutical costs, if any, should be reported by plans and their contracted PBMs.

2. What is a Pharmacy Benefit Manager (“PBM”)?

California Health and Safety Code section 1385.001 defines a pharmacy benefit manager as “a person, business, or other entity that, pursuant to a contract with a health care service plan, manages the prescription drug coverage provided by the health care service plan, including, but not limited to, the processing and payment of claims for prescription drugs, the performance of drug utilization review, the processing of drug prior authorization requests, the adjudication of appeals or grievances related to prescription drug coverage, contracting with network pharmacies, and controlling the cost of covered prescription drugs.” This definition excludes plans licensed under the Knox-Keene Health Care Service Plan Act of 1975 (the Knox-Keene Act) or any individual employee of a plan or its contracted provider, as defined in Health and Safety Code Section 1345, subdivision (i) performing the services described in Section 1385.001.

3. What authority does AB 315 give the DMHC?

Effective January 1, 2020, the DMHC has the authority to enforce the provisions of Article 6.1 (Pharmacy Benefit Management Services) of the Health and Safety Code, including the authority to adopt, amend, or repeal any rules and regulations, not inconsistent with the laws of this state, as may be necessary for the protection of the public and to implement Article 6.1, including, but not limited to, the DMHC Director’s enforcement authority under the Knox-Keene Act.

4. Which PBMs are required to register with the DMHC?

Any PBM contracting with a Knox-Keene licensed health plan for management of the Knox-Keene licensed health plan’s prescription drug coverage within the state of California.

5. How does a PBM register with the DMHC?

Complete and submit DMHC 10-242 form titled, "Application Form for Pharmacy Benefit Manager Registration," and pay the registration fee. Submit the completed form by sending it via electronic mail to: PBM.Registration@dmhc.ca.gov. Send payment of the registration fee via check payable to "Department of Managed Health Care," to: DMHC-Office of Plan Licensing, ATTN: PBM Registration, 980 9th Street, Suite 500, Sacramento, CA 95814.

6. What is an "Application Form for Pharmacy Benefit Manager Registration"?

The "Application Form for Pharmacy Benefit Manager Registration" is the document the DMHC developed in order for PBMs to submit the statutorily required information for registration.

7. How can I fill out the Application Form for Pharmacy Benefit Manager Registration (PBM Registration Application)?

The PBM Registration Application is a fillable PDF form and accessible online. You can save and download the PBM Registration Application directly to your computer.

8. When are PBMs required to submit the PBM Registration Application?

The DMHC began accepting PBM Registration Application on October 14, 2019, whereby all affected and existing PBMs at the time were required to provide the DMHC with a completed PBM Registration Application by January 1, 2020. PBMs are required to provide the DMHC with a completed PBM Registration Application prior to implementing its services pursuant to an executed contract with a Knox-Keene licensed health care service plan.

9. What is the fee to register with the DMHC as a PBM?

The initial application fee to register as a PBM with the DMHC is \$3,500. If the DMHC requires changes to the PBM Registration Application during the registration process, additional charges may accrue to the PBM.

10. Will the DMHC issue Pharmacy Benefit Manager Registration Numbers to the PBMs that submit a PBM Registration Application?

Each PBM will receive a Pharmacy Benefit Manager Registration Number issued by the DMHC once the registration is completed. Until the DMHC completes its review of the PBM's Registration Application, the PBM will receive a Submission Number by which the DMHC, and the PBM, can refer to the pending PBM Registration Application.

11. Is the PBM required to notify the DMHC of a change in any information disclosed to the DMHC on the PBM Registration Application?

After the PBM is registered with the DMHC, if there is a change in any of the information disclosed to the DMHC on the most recently submitted PBM Registration Application, the PBM must submit an amended PBM Registration Application within 30 days of the change.

12. Will my completed PBM Registration Application be available to the public?

Completed PBM Registration Applications are considered public records. Public records may be made available for inspection and/or copying upon request, unless the DMHC receives a request for confidential treatment. See California Code of Regulations, title 28, sections 1006 and 1007.

13. Whom do I contact with questions about the PBM Registration Application?

For any questions regarding the PBM Registration Application, please contact the Office of Plan Licensing at 916-324-9046 or at PBM.Registration@dmhc.ca.gov. Plans should contact their assigned licensing reviewer.