

*Implementing Florida's Prescription Drug Reform Act*

# PHARMACY BENEFIT MANAGERS COMPLIANCE REPORT

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## Overview

As signed by Governor DeSantis in May 2023, Florida's Prescription Drug Reform Act ([SB 1550](#)), institutes increased transparency and accountability measures for all Pharmacy Benefit Managers (PBMs) doing business in this state, including a requirement to become fully regulated as Insurance Administrators and obtain a certificate of authority (COA).

In accordance with section 626.8805, F.S. the Office of Insurance Regulation (OIR) submits the following report to provide an implementation update on the status of all PBMs operating in this state, including a timeline for obtaining a COA.

As defined in section 626.88, F.S. a PBM means a person or an entity doing business in this state which contracts to administer prescription drug benefits on behalf of a pharmacy benefits plan or program as defined in section 626.8825, F.S. The term includes, but is not limited to, a person or an entity that performs one or more of the following services on behalf of such plan or program:

- Pharmacy claims processing.
- Administration or management of a pharmacy discount card program and performance of any other service listed in this subsection.
- Managing pharmacy networks or pharmacy reimbursement.
- Paying or managing claims for pharmacist services provided to covered persons.
- Developing or managing a clinical formulary, including utilization management or quality assurance programs.
- Pharmacy rebate administration.
- Managing patient compliance, therapeutic intervention, or generic substitution programs.
- Administration or management of a mail-order pharmacy program.

The Prescription Drug Reform Act created strong consumer protection measures for Floridians. OIR has supported and will continue to support the bills strong regulatory requirements and consumer protections to strengthen transparency surrounding PBMs and their role in the health care delivery system. Prior to the passage of the bill, OIR [participated in a roundtable discussion](#) with the Florida Department of Elder Affairs, the Agency for Health Care Administration, Florida pharmacists and local seniors to discuss the issues surrounding PBMs and how this historic legislation would increase access to care for consumers.

Given OIR's support of the Prescription Drug Reform Act, it is the expectation of OIR that PBMs comply with not only the requirement to receive a COA to operate as an Insurance Administrator, but on an ongoing basis, provide transparent reporting, adhere to statutory contract provisions and patient data practices, and refrain from all prohibited practices.

In implementing this law, OIR has prioritized compliance, provided substantial guidance to the industry, and worked to efficiently and accurately evaluate application information in an unbiased manner. The following report outlines the actions OIR took to enforce PBM compliance, COA status of PBMs in the state, and information on how OIR will maintain PBM compliance in the state.

## OIR Actions to Enforce PBM Compliance

Florida's Prescription Drug Reform Act became effective July 1, 2023. Pursuant to the bill, beginning on January 1, 2024, PBMs operating in Florida must continue to be registered with OIR in accordance with section 624.490, F.S., and hold a valid COA as an administrator per sections 626.88 and 626.8805, F.S.

OIR has taken numerous actions to ensure PBMs are in compliance with the new law including issuing official guidance, conducting public workshops and rulemaking, and making continued outreach to these entities.

OIR has dedicated additional resources throughout the Agency to ensure that all PBM applications received during this time were acknowledged and reviewed, and all qualified applications were accepted within one week of being filed with OIR. Upon acceptance of a complete application, OIR began the review and certification process.

A comprehensive timeline of OIR's actions to ensure compliance is outlined below:

- **July 19, 2023** – OIR issued [Informational Memorandum OIR-23-04](#) to all registered PBMs. OIR-23-04 advised that OIR [formally initiated the rulemaking process](#) to promulgate application forms for PBMs seeking to operate in Florida and was intended to educate stakeholders on the implementation of related activities. Specifically, Informational Memorandum OIR-23-04 stated:

*Given that the new requirements for PBMs exceeded both the current registration requirement and the application requirements of administrators not considered PBMs, all PBMs currently registered with OIR, including those that currently hold a COA as an administrator, and any new PBM seeking to operate in Florida, will be required to complete an application to obtain a COA. The application form is available [here](#). Upon receipt and review of a complete application by a PBM that meets the requirements of Florida Law, OIR will issue a COA.*

*Any PBM operating in Florida without a valid COA beginning on January 1, 2024, will be subject to a fine of \$10,000 per violation per day. OIR urges all PBMs to make their application filing as soon as possible to avoid delays, including obtaining background reports required in the Florida Insurance Code.*

- **September 14, 2023** – OIR created a dedicated [Pharmacy Benefit Managers page](#) on OIR's website outlining the requirements to obtain a COA and the new transparent reporting requirements. The page also clearly states the required contract provisions, patient data practices and prohibited PBM practices.

- **September 18, 2023** – The Financial Services Commission [approved rules](#) to implement several provisions of the Prescription Drug Reform Act. The approved rules included all application forms for PBMs seeking to operate in Florida after December 31, 2023. Once the rules were approved, OIR [formally sent correspondence](#) to all PBMs currently operating in Florida reinforcing the updated requirements in the bill.
- **October 27, 2023** - OIR distributed a [second notice](#) to all registered PBMs advising them of the status of their application and strongly encouraging PBMs to begin the process of submitting applications for an Insurance Administrator COA as soon as possible. The notice informed registered PBMs that the applications should be filed no later than November 3, 2023, provided a link to the application, provided guidance related to the application process, and listed contact information for any questions.
- **November – December 2023** – OIR received a majority of the filed PBM applications. During this review time, OIR analysts issued clarification letters to PBMs with deadlines by which they were required to provide responses or necessary documentation to ensure compliance with the law. ***PBMs repeatedly requested extensions for these deadlines.***
- **January 2024** – ***Following the January 1, 2024, deadline, OIR immediately initiated market regulation efforts for entities not in compliance.*** OIR's greatest priority when monitoring and enforcing insurer and insurance-related entity compliance with statutory market conduct requirements is the protection of consumers. OIR's market regulation units monitor the conduct of insurers in the marketplace, enforcing Florida law through remediation and administrative action utilizing market conduct investigations and examinations.

***After OIR initiated market regulation efforts, OIR saw improved responsiveness from PBMs.*** To effectuate compliance with the COA requirement, OIR has maintained contact with entities registered or presumed to be operating as a PBM and has also temporarily dedicated a substantial number of additional staffing resources to ensure a timely and professional application review process.

## **PBM Certificate of Authority Status**

As of January 1, 2024, registered PBMs in Florida are required to be authorized as an Insurance Administrator. The Prescription Drug Reform Act requires that PBMs submit all components of the approved insurance administrator application to OIR, which includes but is not limited to the following documentation:

- A self-disclosure of any administrative, civil, or criminal complaints, settlements, or discipline, or any of its affiliates, which relates to a violation of the insurance laws, including pharmacy benefit manager laws, in any state.
- A statement attesting to compliance with the network requirements in Section 626.8825, Florida Statutes. Companies may also wish to submit supporting documentation (i.e. Network Files, Analyses, etc.) to the attestation to ensure compliance with the requirements set forth in Chapter 626, Florida Statutes.
- A statement identifying ownership affiliation of any kind with any pharmacy which, directly or indirectly, through one or more intermediaries: Has an investment or ownership interest in a PBM holding a Florida certificate of authority; shares common ownership with a PBM holding a Florida certificate of authority; or has an investor or a holder of an ownership interest which is a PBM holding a Florida certificate of authority.
- Make available to OIR copies of all contract templates with any pharmacy as defined in Section 465.003, Florida Statutes, and copies of all subcontracts to support the company's operations, including copies of all contract templates between the PBM and any pharmacy benefit plan or program as defined in Section 626.8825(u), Florida Statutes.

Upon receipt and review of a complete application by a PBM that meets the requirements of Florida Law, OIR will issue a COA.

To ensure all entities are in compliance with the new law, OIR has initiated market conduct actions for all entities which did not obtain a COA by the date set in the statute. OIR Market Regulation has initiated market conduct investigations for 10 entities which did not submit an application or take action as of January 1, 2024. All entities responded to those letters. OIR Market Regulation is also following up with entities which claimed an exemption under section 626.88, Florida Statutes, or did not meet the statutory requirements for licensure.

### **Registered PBMs Authorized as Administrators Prior to SB 1550**

Prior to the passage of the Prescription Drug Reform Act, 13 PBMs were authorized as an Insurance Administrator. To meet the new requirements of the statute, these entities were required to submit supplemental documents outlined in section 626.8805, F.S. These entities hold valid COAs but may not necessarily be in compliance with the new COA requirements instituted by SB 1550 as of January 1, 2024. The status of these previously authorized entities is listed below. As of the date of this report, OIR is awaiting additional documentation and clarifying information for one entity.

Entity Name	COA Issued	Supplemental Documents Received	Updated COA
AMWINS GROUP BENEFITS, LLC	12/15/2006	10/17/2023	YES
BENECARD SERVICES, INC.	9/9/2008	10/2/2023	YES
DST PHARMACY SOLUTIONS INC.	6/8/2005	10/3/2023	YES
ELIXIR RX SOLUTIONS, LLC	12/1/2009	10/18/2023	YES
EXPRESS SCRIPTS ADMINISTRATORS, L.L.C.	10/24/2013	10/26/2023	YES
MEDIMPACT HEALTHCARE SYSTEMS, INC.	10/21/1996	10/3/2023	YES
NAVITUS HEALTH SOLUTIONS LLC	3/8/2012	10/2/2023	YES
NBFSA, LLC	5/6/2011	11/29/2023	YES
OPTUMRX, INC.	2/25/2011	11/9/2023	YES
PERFORMRX, LLC	1/19/2017	11/16/2023	YES
SAGILITY LLC	12/22/2022	9/26/2023	YES
TOWERS ADMINISTRATORS LLC	1/8/1985	9/27/2023	YES
TRHC TPA, LLC	3/18/2021	9/28/2023	YES

### Registered PBMs Not Authorized as Administrators Prior to SB 1550

Registered PBMs not previously authorized as an Insurance Administrator were required to complete a new Insurance Administrator application to obtain a COA in order to operate in this state. Insurance Administrator applications must include all required documentation and application components within Form OIR-C1-1075 to be accepted and reviewed for completeness. Accepted applications are reviewed by OIR as expeditiously as possible prior to the issuance of a COA.

The following PBMs held a valid registration with OIR prior to the passage of the legislation but did not hold an active COA. As of the date of this report, OIR is awaiting documentation/clarification from 23 entities, and reviewing seven filings for compliance.

Entity Name	Application Acceptance Date	Valid COA
WELLDYNERX, LLC	10/18/2023	YES
PRIME THERAPEUTICS, LLC	11/2/2023	YES
PROCARE PHARMACY BENEFIT MANAGER, INC.	11/2/2023	SUR
MAGELLAN RX MANAGEMENT, LLC	11/3/2023	YES
ABARCA HEALTH LLC	11/6/2023	YES
HUMANA PHARMACY SOLUTIONS, INC.	11/6/2023	YES
PROACT INC.	11/6/2023	YES
SERVE YOU CUSTOM PRESCRIPTION MANAGEMENT, INC.	11/7/2023	YES
SOUTHERN SCRIPTS, LLC	11/7/2023	YES
CARELONRX, INC.	11/8/2023	YES
RXPREFERRED BENEFITS, LLC	11/8/2023	YES
FAIROS RX, LLC	11/9/2023	YES

SCRIPT CARE, LTD.	11/9/2023	YES
CITIZEN'S RX LLC	11/15/2023	NO
PHARMAPIX INTERNATIONAL, LLC	11/16/2023	NO
PROGYNY, INC.	11/16/2023	NO
CAREMARK, L.L.C.	11/20/2023	YES
COSTCO HEALTH SOLUTIONS, INC.	11/21/2023	NO
VENTEGRA, INC. A CALIFORNIA BENEFIT CORPORATION	11/27/2023	NO
MAXORPLUS, LTD.	12/1/2023	NO
CAREMARKPCS HEALTH, L.L.C.	12/4/2023	YES
CAREMARKPHC, L.L.C.	12/6/2023	YES
DREXI INC.	12/7/2023	YES
SAV-RX PRESCRIPTION SERVICES, LLC	12/13/2023	YES
PORTIZO LLC	12/13/2023	NO
HEALTHSMART RX SOLUTIONS, INC.	12/15/2023	NO
HEALTHCARE HIGHWAYS RX, LLC	12/18/2023	NO
INDEPENDENT HEALTH'S PHARMACY BENEFIT DIMENSIONS, LLC	12/18/2023	NO
CAPITAL RX, INC.	12/20/2023	NO
NORTHWIND RX ADMINISTRATION, LLC	12/20/2023	NO
PRESCRIPTIVE HEALTH, INC.	12/20/2023	NO
FAIRVIEW PHARMACY SERVICES, LLC	12/21/2023	NO
INTEGRATED PRESCRIPTION MANAGEMENT, INC.	12/28/2023	NO
ELIXIR RX SOLUTIONS OF MISSOURI, LLC	1/3/2024	SUR
PHARMA FORCE GROUP LLC	1/4/2024	NO
REUNITE RX LLC	1/4/2024	NO
EHO360, LLC	1/5/2024	NO
SCRIP WORLD, LLC	1/5/2024	NO
TRUE RX MANAGEMENT SERVICES	1/16/2024	NO
SMART PBM LLC	<b>MC</b>	NO
TRUESCRIPTS MANAGEMENT SERVICES, LLC	1/18/2024	NO
CONVENIENTRX, LLC	<b>WCE</b>	N/A
CORPORATE PHARMACY SERVICES, INC.	<b>WCE</b>	N/A
AVIA PARTNERS, INC.	<b>WCE</b>	N/A
CROSS HEALTH GROUP LLC	<b>WCE</b>	N/A
GETWELL PHARMACY LIMITED LIABILITY COMPANY	<b>WCE</b>	N/A
PAIR PHARMACEUTICALS LLC	<b>WCE</b>	N/A
PRODIGY CARE SERVICES, LLC	<b>WCE</b>	N/A
RELIABLE PHARMACY SOLUTIONS, LLC	<b>WCE</b>	N/A
VIVID CLEAR RX, INC.	<b>DNQ</b>	N/A
ALLUMA, LLC	<b>DNQ</b>	N/A
SMITH HEALTH, INC.	<b>DNQ</b>	N/A

MC= No application filed, entity has been referred to OIR's market regulation units for further action, if necessary.

WCE=Entity meets statutory exemption

DNQ=Does not Qualify for COA

SUR=Surrender



### New PBMs Seeking COAs Following the Passage of SB 1550

PBMs that registered with OIR following the passage of the legislation were advised to submit their COA application with the initial registration form and prior to their operation in the market. A list of those entities is below. As of the date of this report, OIR is awaiting filing of an application for two entities, awaiting documentation/clarification from 8 entities, and reviewing two filings for compliance.

Entity Name	Registration Date	Valid COA
AMERICAN WORKERS COMPENSATION PRESCRIPTIONS, LLC	12/13/2023	NO
ARCHIMEDESRX FLORIDA, LLC	11/17/2023	YES
EMPLOYEE HEALTH INSURANCE MANAGEMENT INC.	12/8/2023	NO
EPIPHANY RX, LLC	11/16/2023	NO
GATEWAY HEALTH PARTNERS INC	10/20/2023	NO
GATEWAY HP MANAGEMENT LLC	10/23/2023	NO
GLOBAL PHARMACEUTICAL PROGRAMS, LLC	7/5/2023	YES
ILLARUMRX, LLC	12/14/2023	YES
INTEGRATED PRESCRIPTION MANAGEMENT, INC.	10/24/2023	NO
KILLIAN HEALTH, INC.	5/31/2023	NO
MEDICAL SECURITY CARD COMPANY, LLC	12/20/2023	NO
MEDONE L.C.	6/6/2023	NO
OPTUMRX DISCOUNT CARD SERVICES, LLC	12/4/2023	NO
RIGHT RX FL, LLC	7/11/2023	<b>DNQ</b>
RX VALET	10/20/2023	NO
SLATE RX, LLC	11/20/2023	YES
VISORY HEALTH LLC	12/13/2023	<b>DNQ</b>
WINFERTILITY, INC.	10/19/2023	NO

DNQ=Does not Qualify for COA

### PBMs Registration Surrendered Following the Passage of SB 1550

The following entities were PBMs previously registered with OIR but surrendered their PBM registration following the passage of SB 1550.

Company Name	Surrender Date	Valid COA
FLIPT, LLC	10/9/2023	N/A
FUTURERX, LLC	10/31/2023	N/A
HEALTH MD PBM MIAMI LLC	10/31/2023	N/A
PHOENIX BENEFITS MANAGEMENT, LLC.	12/19/2023	N/A
TOTAL BROKER BENEFITS, LLC	10/31/2023	N/A
YOUROWN PBM, LLC	10/31/2023	N/A
VATIVORX	1/5/2024	N/A
CHANGE HEALTHCARE PHARMACY SOLUTIONS, INC.	1/5/2024	N/A
CENTENE PHARMACY SERVICES, INC.	1/8/2024	N/A
CIGNA HEALTH AND LIFE INSURANCE COMPANY	1/10/2024	N/A
RXADVANCE CORPORATION	1/10/2024	N/A

## Maintaining PBM Compliance in Florida

OIR is committed to ensuring all PBMs are brought into compliance and maintain compliance in the future. OIR is initiating market conduct inquiries into all applicants which did not have a COA by the January 1, 2024, deadline. **Additional regulatory or administrative actions will be based on the responsiveness of applicants, timeframes for information reported to OIR, and quality of the information reported by the applicant.**

As OIR receives applications and all required supplemental documentation from PBMs seeking to obtain a COA, OIR will provide regular updates on active PBMs with valid COAs on OIR's Pharmacy Benefit Managers page [here](#).

Pursuant to Florida Law, PBMs are also directed to notify any pharmacy benefits plans or programs they are contracted with of the requirement (s. 626.8825(2)(h)2., F.S.) to annually submit a statement of attestation of compliance with the requirements of s. 626.8825(2), F.S., regarding contracts between the PBM and pharmacy benefits plans or programs.

This requirement applies to all pharmacy benefits plans or programs as defined in subsection 626.8825(1)(u), F.S. A sample attestation form is available [here](#). **Although it is the responsibility of a PBM to communicate this requirement to plans or programs, OIR will be notifying plans and programs of these requirements, including to all state and local governmental entities, to ensure compliance with Florida Law.**



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