Maine Bureau of Insurance
PBM Application Requirements Checklist

Pharmacy Benefit Managers MUST confirm/provide the following information with their application.

REQUIREMENT	REFERENCE	DESCRIPTION OF REQUIREMENT	CONFIRM LOCATION IN APPLICATION MUST EXPLAIN IF REQUIREMENT IS INAPPLICABLE
SECTION 1. APPLICANT INFORMATION			
Basic information	24-A M.R.S. § 4348(1)(A),(B)	Name, address, telephone	
Service of Process Agent	24-A M.R.S. § 4348(1)(C)	Name and address of applicant's agent for service of process	
Interested persons	24-A M.R.S. § 4348(D)	Name and address of each person beneficially interested. (e.g. ownership of 10% or more)	
Management and Control	24-A M.R.S. § 4348(E)	Name and address of each officer and director.	
Licensing Fee	24-A M.R.S. § 4348(4); 24-A M.R.S. § 601(28-A)	Original issue fee is $100; renewal fee is $100 every three years.	
SECTION 2. APPLICANT QUALIFICATIONS: **A. Organization & Background**			
Organizational Documents	24-A M.R.S. §4348(2)	Articles of Incorporation, partnership agreement trust agreement or other applicable documents, including all amendments; bylaws, rules, regulations, and/or procedures regulating the internal conduct.	

B. Expertise			
Standard Contract Template	24-A M.R.S. § 4349(2).	The contract must state that the carrier is responsible for ensuring that, under the contract, the pharmacy benefits manager acts as the carrier's agent and owes a fiduciary duty to the carrier in the pharmacy benefits manager's management of activities related to the carrier's prescription drug benefits. If any client contract provision deviates materially from the standard contract, provide a description of the material deviations.	
List of All Current Clients	24-A M.R.S. § 4348(2)	Provide a list of all current clients.	
Maximum Allowable Cost	24-A M.R.S. § 4350(1)	A pharmacy benefits manager under contract with a carrier, shall use a single maximum allowable cost list to establish the maximum amount to be paid by a health plan to a pharmacy provider for a generic drug or a brand-name drug that has at least one generic alternative available. A carrier, or a pharmacy benefits manager under contract with a carrier, shall use the same maximum allowable cost list for each pharmacy provider.	
Changes To Maximum Allowable Cost List	24-A M.R.S. § 4350(3)	A carrier, or a pharmacy benefits manager under contract with a carrier, shall establish a process for removing a prescription drug from a maximum allowable cost list or modifying a maximum allowable cost for a prescription drug in a timely manner to remain consistent with changes to such costs and the availability of the drug in the national marketplace.	
Listing of Prescription Drugs	24-A M.R.S. § 4350(2)	A maximum allowable cost may be set for a prescription drug, or a prescription drug may be allowed to continue on a maximum allowable cost list, only if that prescription drug:	

		A) Is rated as "A" or "B" in the most recent version of the United States Food and Drug Administration's "Approved Drug Products with Therapeutic Equivalence Evaluations," also known as "the Orange Book," or an equivalent rating from a successor publication, or is rated as "NR" or "NA" or a similar rating by a nationally recognized pricing reference; and B) Is not obsolete and is generally available for purchase in this State from a national or regional wholesale distributor by pharmacies having a contract with the pharmacy benefits manager.	
Disclosure in Contract	24-A M.R.S. § 4350(4)	With regard to a pharmacy with which the carrier, or the pharmacy benefits manager under contract with a carrier, has entered into a contract, a carrier, or a pharmacy benefits manager under contract with a carrier, shall: A) Upon request, disclose the sources used to establish the maximum allowable costs; B) Provide a process for a pharmacy to readily obtain the maximum allowable payment available to that pharmacy under a maximum allowable cost list; and C) At least once every 7 business days, review and update maximum allowable cost list information to reflect any modification of the maximum allowable payment available to a pharmacy under a maximum allowable cost list used.	
Prohibited in Contract	24-A M.R.S. § 4349(3)	A carrier may not enter into a contract or agreement or allow a pharmacy benefits manager or any person acting on the carrier's behalf to enter into a contract or agreement that prohibits a pharmacy provider from: A) Providing a covered person with the option of paying the pharmacy provider's cash price for the purchase of a prescription drug and not filing a	

		claim with the covered person's carrier if the cash price is less than the covered person's cost-sharing amount; or B) Providing information to a state or federal agency, law enforcement agency or the superintendent when such information is required by law.	
Excess Payments at Point of Sale	24-A M.R.S.§ 4349(4)	A carrier or pharmacy benefits manager may not require a covered person to make a payment at the point of sale for a covered prescription drug in an amount greater than the least of: A) The applicable cost-sharing amount for the prescription drug; B) The amount a covered person would pay for the prescription drug if the covered person purchased the prescription drug without using a health plan or any other source of prescription drug benefits or discounts; and C) The total amount the pharmacy will be reimbursed for the prescription drug from the pharmacy benefits manager or carrier, including the cost-sharing amount paid by a covered person.	
Number of Enrollees		The number of projected enrollees or beneficiaries in this State to be serviced by the applicant on an annual basis for all contracted insurers. If applicable, provide the number of enrollees or beneficiaries administered by the applicant for each insurer during the previous year.	
Network	24-A M.R.S. § 4349(5)	A copy of the applicant's network service areas by county in this State for an insurer and the applicant's pharmacy directory list. Please list mail order pharmacies separately as they may not be included in determining the adequacy of a retail pharmacy network.	
Appeal Procedure	24-A M.R.S. § 4350(5)	A carrier, or a pharmacy benefits manager under contract with a carrier, shall provide a reasonable administrative appeal procedure, including a right to appeal that is limited to 14 days following the initial claim, to allow pharmacies	

		with which the carrier or pharmacy benefits manager has a contract to challenge maximum allowable costs for a specified drug.	
Resolution of Appeals	24-A M.R.S. § 4350(6)	A carrier, or a pharmacy benefits manager under contract with a carrier, shall respond to, investigate and resolve an appeal under subsection 5 within 14 days after the receipt of the appeal. The carrier or pharmacy benefits manager shall respond to an appeal as follows: A) If the appeal is upheld, the carrier or pharmacy benefits manager shall make the appropriate adjustment in the maximum allowable cost and permit the challenging pharmacy or pharmacist to reverse and rebill the claim in question; or B) If the appeal is denied, the carrier or pharmacy benefits manager shall provide the challenging pharmacy or pharmacist the national drug code from national or regional wholesalers of a comparable prescription drug that may be purchased at or below the maximum allowable cost.	
Prescription Drugs Not on Maximum Allowable Cost List	24-A M.R.S. § 4350(7)	A carrier, or a pharmacy benefits manager under contract with a carrier, shall use the average wholesale price to establish the maximum payment for a brand-name drug for which a generic equivalent is not available or a prescription drug not included on a maximum allowable cost list. In order to use the average wholesale price of a brand-name drug or prescription drug not included on a maximum allowable cost list, a carrier, or a pharmacy benefits manager under contract with a carrier, must use only one national drug pricing source during a calendar year, except that a carrier, or a pharmacy benefits manager under contract with a carrier, may use a different national drug pricing source if the original pricing source is no longer available. A carrier, or a pharmacy benefits manager under contract with a carrier, shall use the same national drug pricing source for each pharmacy provider and identify on its publicly accessible website the name of the national drug pricing source used to determine the average	

		wholesale price of a prescription drug not included on the maximum allowable cost list.	
Payment	24-A M.R.S. § 4350(8)	The amount paid by a carrier or a carrier's pharmacy benefits manager to a pharmacy provider under contract with the carrier or the carrier's pharmacy benefits manager for dispensing a prescription drug must be the ingredient cost plus the dispensing fee less any cost-sharing amount paid by a covered person. The ingredient cost may not exceed the maximum allowable cost or average wholesale price, as applicable, and must be disclosed by the carrier's pharmacy benefits manager to the carrier. Only the pharmacy provider that dispensed the prescription drug may retain the payment described in this subsection. A pharmacy provider may not be denied payment or be subject to a reduced payment retroactively unless the original claim was submitted fraudulently or in error.	
Compensation	24-A M.R.S. § 4350-A	All compensation remitted by or on behalf of a pharmaceutical manufacturer, developer or labeler, directly or indirectly, to a carrier, or to a pharmacy benefits manager under contract with a carrier, related to its prescription drug benefits must be: A) Remitted directly to the covered person at the point of sale to reduce the out-of pocket cost to the covered person associated with a particular prescription drug; or B) Remitted to, and retained by, the carrier. Compensation remitted to the carrier must be applied by the carrier in its plan design and in future plan years to offset the premium for covered persons.	
Pharmacy and Therapeutics Committee	24-A M.R.S. § 4350-B(1)	Evidence of establishment of a pharmacy and therapeutics committee. A carrier shall require its pharmacy and therapeutics committee or the pharmacy and therapeutics committee of the carrier's pharmacy benefits manager to	

		use one or more formularies.	
Conflict of Interest Procedures for Committee	24- M.R.S. § 4350-B(2),(3)	A pharmacy benefits manager may not allow a person with a conflict of interest, as described in paragraph A or B, to be a member of its pharmacy and therapeutics committee. A person may not serve as a member of a pharmacy and therapeutics committee if the person: A) Is employed, or was employed within the preceding year, by a pharmaceutical manufacturer, developer, labeler, wholesaler or distributor; or B) Receives compensation, or received compensation within the preceding year, from a pharmaceutical manufacturer, developer, labeler, wholesaler or distributor. A carrier, or a pharmacy benefits manager under contract with a carrier, shall prohibit its pharmacy and therapeutics committee or any member of the committee from receiving any compensation from a pharmaceutical manufacturer, developer, labeler, wholesaler or distributor.	
SECTION 3. FINANCIAL INTEGRITY			
Audited Financial Statement	24-A M.R.S. § 4348(2)	Applicant's most recent fiscal year-end audited financial statement	
Third Party Administrator License	24-A M.R.S. § 4348(2)	If the entity handles claims and/or premium, a third-party administrator license application must be completed.	
Business Plan	24-A M.R.S. § 4348(2)	A description of the applicant's business plan and evidence that the applicant has the financial integrity to offer its proposed services.	