



# State of Tennessee

## PUBLIC CHAPTER NO. 838

### SENATE BILL NO. 1852

By Haile, Crowe, Bell, Yager, Jackson, Reeves

Substituted for: House Bill No. 1857

By Powers, Matlock, Keisling, Weaver, Calfee, Terry

AN ACT to amend Tennessee Code Annotated, Title 56, Chapter 6, Part 4 and Title 56, Chapter 7, Part 31, relative to licensure of pharmacy benefits managers.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 7, Part 31, is amended by adding the following as a new section:

(a) No person or entity shall administer the medication or device portion of pharmacy benefits coverage provided by a covered entity or otherwise act as a pharmacy benefits manager in this state unless the person or entity has obtained licensure through the department of commerce and insurance.

(b) To obtain licensure as a pharmacy benefits manager, the person or entity must demonstrate to the department that the person or entity:

(1) Is authorized to transact business in this state;

(2) Is financially responsible, as determined by the department; and

(3) Has not had a prior license to be a pharmacy benefits manager denied for cause or revoked by the department within five (5) years of the date on which licensure is sought.

(c)(1) In addition to the showing required by subsection (b), a person or entity seeking licensure as a pharmacy benefits manager shall also provide the following information to the department:

(A) The person or entity's name, address, telephone number, email address, and website address; and

(B) If the licensure is sought for an entity, the name, address, telephone number, and email address for a contact person.

(2) Any material changes in the information described in this subsection (c) shall be filed with the department within sixty (60) days of the change.

(d) A person or entity's license as a pharmacy benefits manager shall be renewed biennially.

(e)(1) Any person or entity seeking licensure as a pharmacy benefits manager shall pay a fee in the amount of one hundred dollars (\$100) to the department to obtain the license. Any person or entity seeking renewal of a license as a pharmacy benefits manager shall pay a fee in the amount of fifty dollars (\$50) to renew the license.

(2) All fees paid pursuant to this section shall be used by the department for purposes of administering this section.

(f)(1) Failure to obtain licensure or renew a license pursuant to this section while acting as a pharmacy benefits manager in this state shall constitute a violation of this section and shall be punishable by a fine of not less than one hundred dollars (\$100) nor more than five hundred dollars (\$500).

(2) Any person or entity assessed a fine pursuant to this section or denied a license or renewal of a license may appeal the fine or denial pursuant to the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

SECTION 2. This act shall take effect January 1, 2019, the public welfare requiring it.

SENATE BILL NO. 1852

PASSED: April 17, 2018

  
RANDY McNALLY  
SPEAKER OF THE SENATE

  
BETH HARWELL, SPEAKER  
HOUSE OF REPRESENTATIVES

APPROVED this 27<sup>th</sup> day of April 2018

  
BILL HASLAM, GOVERNOR