



SCOTT A. WHITE
COMMISSIONER OF INSURANCE
STATE CORPORATION COMMISSION
BUREAU OF INSURANCE

P.O. BOX 1157
RICHMOND, VIRGINIA 23218
1300 E. MAIN STREET
RICHMOND, VIRGINIA 23219
TELEPHONE: (804) 371-9741
www.scc.virginia.gov/boi

July 28, 2020

Administrative Letter 2020-04

REVISED 6-27-2023

To: Pharmacy Benefits Managers; All Carriers Licensed to Write Accident and Sickness Insurance in Virginia; All Health Services Plans and Health Maintenance Organizations Licensed in Virginia; and Life and Health Interested Parties

Re: Licensure Requirements, Rebate Reporting, and Certain Prohibited Conduct

During its 2020 Session, the Virginia General Assembly passed Acts of Assembly Chapters 219 and 1288 (House Bill 1290 and Senate Bill 251, respectively), related to the licensing of pharmacy benefits managers, rebate reporting, and certain prohibited conduct by carriers and pharmacy benefits managers. Please see §§ 38.2-3465 through 38.2-3470 of the Code of Virginia (Code). This legislation is effective October 1, 2020.

Under [§ 38.2-3466](#) of the Code, any person providing pharmacy benefits management services or otherwise acting as a pharmacy benefits manager in the Commonwealth on or after October 1, 2020, shall obtain a license from the Bureau of Insurance (Bureau), unless otherwise covered by a carrier's license.¹ To obtain this initial license, a person must complete and submit an application via SIRCON and pay a \$250 nonrefundable fee. The Bureau will begin accepting applications immediately. Please allow up to 30 days for processing.

Licenses will be renewable annually for the period October 1 through September 30 in the year following initial issuance. To renew the license, a licensed pharmacy benefits manager must submit a renewal application via SIRCON and pay a \$100 nonrefundable renewal fee.

¹ If pharmacy benefits management is performed within and under the authority of the carrier's license, then no separate pharmacy benefits manager license is required.

The Bureau also encourages carriers and pharmacy benefits managers to be aware of the rebate reporting requirements in [§ 38.2-3468 B](#) and the conduct prohibited under the new law in [§ 38.2-3467](#), related to advertisements, claims adjudication fees, reimbursements for services, network restrictions or adequacy determinations, retaliation for exercising rights and spread pricing.

Questions concerning this administrative letter should be addressed to:

For inquiries related to licensure
AgentLicensing@scc.virginia.gov
(804) 371-9631

For all other inquiries such as rebate reporting
BureauofInsurance@scc.virginia.gov
(804) 371-9741.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott A. White", with a stylized flourish at the end.

Scott A. White
Commissioner of Insurance

This administrative letter was revised on June 26, 2023, to amend the contact information for questions about the administrative letter, to remind PBMs of their obligations for rebate reporting, and offer an online application and renewal process.