

Appendix 1: Regulatory Impact Summary Table*

Fiscal Costs	FY 2020	FY 2021	FY 2022
State Government	\$0	\$0	\$0
Local Government	\$0	\$0	\$0
Small Businesses	\$2,100	\$2,100	\$2,100
Non-Small Businesses	\$31,500	\$31,500	\$31,500
Other Person	\$0	\$0	\$0
Total Fiscal Costs:	\$33,600	\$33,600	\$33,600
Fiscal Benefits			
State Government	\$33,600	\$33,600	\$33,600
Local Government	\$0	\$0	\$0
Small Businesses	\$	\$0	\$0
Non-Small Businesses	\$0	\$0	\$0
Other Persons	\$0	\$0	\$0
Total Fiscal Benefits:	\$33,600	\$33,600	\$33,600
Net Fiscal Benefits:	\$0	\$0	\$0

*This table only includes fiscal impacts that could be measured. If there are inestimable fiscal impacts, they will not be included in this table. Inestimable impacts for State Government, Local Government, Small Businesses and Other Persons are described in the narrative. Inestimable impacts for Non-Small Businesses are described in Appendix 2.

Appendix 2: Regulatory Impact to Non-Small Businesses

There are 30 non-small pharmacy benefit managers (PBMs) in Utah in FY 2020. As a result of HB 370, which was passed during the 2019 General Session, each of those PBMs must be licensed to do business in Utah. Each PBM will be required to pay a combined \$1,050 licensing fee each year. This will result in \$31,500 of new revenue to the state annually. The Department does not have enough data about past years to estimate growth for future fiscal years.

The head of the Insurance Department, Todd E. Kiser, has reviewed and approved this fiscal analysis.

**"Non-small business" means a business employing 50 or more persons; "small business" means a business employing fewer than 50 persons.

R590. Insurance, Administration.

R590-282. Pharmacy Benefit Managers.

R590-282-1. Authority.

This rule is promulgated pursuant to:

(1) Subsection 31A-2-201(3), which authorizes the commissioner to make rules to implement the provisions of Title 31A;

(2) Subsection 31A-46-202(1)(a) which authorizes the commissioner to make a rule to establish the method and forms to submit an application, and;

(3) Subsection 31A-46-301(3)(c)(ii), which authorizes the commissioner to make a rule for the manner in which a pharmacy benefit manager may submit corrections and information with supporting evidence and comments.

R590-282-2. Purpose and Scope.

(1) The purpose of this rule is to:

(a) define terms;

(b) provide licensing requirements; and

- (c) establish the format for reporting data.
(2) This rule applies to all pharmacy benefit managers operating in Utah on or after July 1, 2019.

R590-282-3. Licensing.

- (1) (a) To obtain or renew a pharmacy benefit manager license, the applicant shall:
(i) submit the Utah Insurance Department Pharmacy Benefit Manager Application and the required attachments; and
(ii) pay the fees in accordance with R590-102.
(b) The Utah Insurance Department Pharmacy Benefit Manager Application is available on the Department's website at <https://insurance.utah.gov>.
(2) (a) The licensing period begins on April 1 of each year and ends on March 31 of the following year.
(b) A license for which a renewal license application is not received by the commissioner before April 1 will be considered to have expired.
(4) Any material changes in the information submitted in an application shall be reported to the commissioner no later than 30 days after the day on which the information changes.

R590-282-5. Reporting Requirements.

- (1) (a) Beginning on April 1, 2020, and each year thereafter, a pharmacy benefit manager shall submit the Utah Pharmacy Benefit Manager Report.
(b) The Utah Pharmacy Benefit Manager Report and its instructions are available on the Department's website.
(2) (a) At least 30 days prior to publishing any data derived from the Utah Pharmacy Benefit Manager Report, the commissioner will email to each pharmacy benefit manager submitting data under Subsection (1), a general description of the data to be published.
(b) (i) A pharmacy benefit manager may respond to the email by submitting the information specified in Subsection 31A-46-301(3) (c) (ii) to the Health Research folder of the Department's secure file upload website at <https://forms.uid.utah.gov/insurance/fileUploads/>.
(ii) Any response must be received within 30 days of the date of the email described in Subsection(2) (a).

R590-282-6. Penalties.

A person found to be in violation of this rule shall be subject to penalties as provided under Sections 31A-2-308 and 31A-46-401.

R590-282-7. Enforcement Date.

The commissioner will begin enforcing this rule 45 days from the rule's effective date.

R590-282-8. Severability.

If any provision of this rule or its application to any person or situation is held to be invalid, that invalidity shall not affect any other provision or application of this rule which can be given effect without the invalid provision or application, and to this end

the provisions of this rule are declared to be severable.