

# New York Establishes First Pharmacy Benefits Bureau in the Nation as Registration and Annual Reporting Deadlines for Pharmacy Benefit Managers Approach

May 25, 2022 | Blog | By [Tara E. Dwyer](#), [Cody Keetch](#), [Jeannie Mancheno](#)

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On May 11, 2022, New York Governor Kathy Hochul announced the creation of the Department of Financial Services' [Pharmacy Benefits Bureau](#). Governor Hochul noted that the Pharmacy Benefits Bureau is the first of its kind in the country. The Pharmacy Benefits Bureau will be tasked with implementing and overseeing new licensing and reporting requirements impacting Pharmacy Benefit Managers (PBMs) in New York. Mintz previously [blogged](#) about [S7837/A8388](#), which Governor Hochul signed into law on February 24, 2022. This law amended Article 29 of the New York Insurance and Section 280-a of the Public Health Law and authorized the Department of Financial Services (DFS) to regulate PBMs operating in New York.

As noted in our previous blog post, S7837/A8388 defines a "pharmacy benefit manager" as any entity that performs "pharmacy benefit management services" for a "health plan." The term "pharmacy benefit management services" is defined to include the direct or indirect management or administration of prescription drug benefits for a health plan, regardless of whether the PBM and health plan are associated with each other or related. The term "pharmacy benefit management services" also covers the procurement of prescription drugs to be dispensed to patients, or the administration or management of prescription drug benefits, including but not limited to:

- Mail service pharmacy;
- Claims processing, retail network management, or payment of claims to pharmacies for dispensing prescription drugs;
- Clinical or other formulary or preferred drug list development or management;
- Negotiation or administration of rebates, discounts, payment differentials, or other incentives, for the inclusion of particular prescription drugs in a particular category or to promote the purchase of particular prescription drugs;
- Patient compliance, therapeutic intervention, or generic substitution programs;
- Disease management;
- Drug utilization review or prior authorization;
- Adjudication of appeals or grievances related to prescription drug coverage;
- Contracting with network pharmacies; and
- Controlling the cost of covered prescription drugs.

### Pharmacy Benefits Bureau

The Department of Financial Services' Pharmacy Benefits Bureau will supervise the PBM industry in New York, which was previously only partially regulated through requirements relating to network formation. Governor Hochul noted that the goal of the Pharmacy Benefits Bureau is to increase transparency on how PBMs negotiate drug prices. Through the Pharmacy Benefits Bureau, New York hopes to lower drug and health insurance costs for New York residents. In addition to licensure and general oversight of PBMs, the Pharmacy Benefits Bureau will assume the Department of Financial Services' existing authority to investigate drug price surges.

### Registration and Annual Reporting Deadlines

The Department of Financial Services issued new [guidance](#) on May 5, 2022, elaborating on the requirements described in S7837/A8388 and describing the new registration and annual reporting

deadlines with which PBMs must comply.

## Registration

PBMs must first register with the Department of Financial Services by June 1, 2022. In order to register, PBMs must electronically file through the [DFS Portal](#). As of the date of this blog post, the DFS Portal does not appear to be live. The Department notes that the DFS Portal will be live prior to the deadline. PBMs can email [pbm@dfs.ny.gov](mailto:pbm@dfs.ny.gov) to request an email notification for when the system becomes live.

## Annual Reporting

All PBMs operating in New York must file their first annual report with the Department of Financial Services by July 1, 2022. Critically, in order to submit the annual report, the PBM must first register with the Department of Financial Services. The primary contact person listed in the PBM registration application will receive a link shortly after submitting the registration application to Department of Financial Service to file the annual report. All PBMs are required to submit both the [Annual Report Form](#) and the [Annual Report Spreadsheet](#) by the deadline.

## Looking Forward

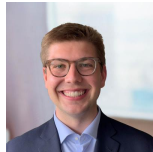
We will continue to monitor New York's regulation of PBMs and whether New York's regulation spurs other states to form agencies similar to New York's Pharmacy Benefits Bureau. Please feel free to reach out to Mintz if you have any questions or would like to discuss how this new legislation may affect your organization.

## Authors



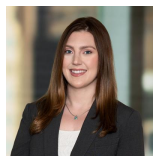
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