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# OHIO LEGISLATIVE SERVICE COMMISSION

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Legislative Budget  
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H.B. 229\*  
136<sup>th</sup> General Assembly

## Bill Analysis

[Click here for H.B. 229's Fiscal Note](#)

**Version:** As Reported by Senate Financial Institutions, Insurance and Technology

**Primary Sponsor:** Rep. Deeter

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## SUMMARY

### PBM licensure

- Establishes a stand-alone licensing process for pharmacy benefit managers (PBMs) beginning July 1, 2027, and beginning on that date, excludes PBMs from regulation under the third-party administrator (TPA) licensure law.
- Prohibits a person from soliciting a plan sponsor or providing pharmacy benefit management services in Ohio without a license, and makes it a fourth degree misdemeanor for a person to knowingly do so.
- Requires a person seeking to provide pharmacy benefit management services in Ohio to obtain a PBM license; prescribes eligibility criteria depending on if the applicant is an individual, a business entity, or a nonresident licensed in another state.
- Increases the license and renewal fees for PBMs to \$2,000 and \$3,000, respectively, from the TPA fees of \$200 for licensure and \$300.
- Requires the Superintendent of Insurance to approve an application within reasonable time after its receipt, and to send a denial notice to the applicant within 30 days of a denial.
- Requires a PBM to enter into a written agreement with a plan sponsor before providing pharmacy benefit management services to the plan sponsor.

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\* This analysis was prepared before the report of the Senate Financial Institutions, Insurance and Technology Committee appeared in the Senate Journal. Note that the legislative history may be incomplete.

## **Prohibited conduct; administrative penalties and remedies**

- Prohibits a licensed PBM from engaging in certain conduct, including: violating the PBM law; obtaining a PBM license by fraud; misappropriating insurance company premiums; being convicted of using fraudulent, coercive, or dishonest practices; or being convicted of a financially related felony.
- Permits the Superintendent to take enumerated disciplinary actions against a licensed PBM for engaging in any prohibited conduct, including: revoking, suspending, or refusing to issue a PBM license; prohibiting a PBM from engaging in the business of insurance in Ohio; imposing a civil penalty up to \$15,000 per violation; or issuing a cease and desist order.
- If the Superintendent has reasonable cause to believe that a person has violated an order issued under the bill, permits the Superintendent to request that the Attorney General prosecute an action against a person; permits the court to impose a civil penalty of up to \$15,000, injunctive relief, restitution, and any other appropriate relief.
- Requires a PBM to enter into a written agreement with a plan sponsor before acting as a PBM in Ohio and imposes requirements on the written agreements and conduct under the agreements.

## **Books and records**

- Requires PBMs to maintain relevant books and records that reflect all administered transactions, specifically regarding premiums or contributions received and deposited and regarding claims and authorized expenses paid.
- Requires a PBM to at least annually account to the plan sponsor any pricing discounts, rebates, inflationary payments, credits, claw backs, fees, grants, charge backs, reimbursements, or other benefits received by the PBM.
- Requires a PBM to disclose to the plan sponsor the terms and conditions of any contract or arrangement between the PBM and any other party relating to the services provided under the agreement with the plan sponsor, and any potential conflicts of interest.
- Allows the Superintendent or a contracted third party to examine the relevant books and records of a PBM to determine the PBM's aggregate number of rebates and payments for pharmacist services.
- Specifies that information obtained by the Superintendent and the Department of Insurance under the PBM law is confidential and proprietary under continuing insurance law and is not subject to public records law.

## **Federal preemption**

- Provides that for purposes of licensure, the bill does not apply to an employer's self-insurance program or fully insured plan if federal law supersedes, preempts, or prohibits its application to the plan.

## Conforming changes

- Makes corrective and conforming changes in the TPA chapter of the Revised Code to eliminate references to its regulation of PBMs as TPAs and to move provisions relating to PBMs to the new PBM chapter.

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## DETAILED ANALYSIS

### Pharmacy benefit manager (PBM) licensure

Under continuing law, a pharmacy benefit manager (PBM) is an entity that contracts with pharmacies on behalf of an employer, multiple employer welfare arrangement (MEWA), public employee benefit plan, state agency, insurer, managed care organization, or other third-party payer to provide pharmacy services or administration. Currently, a PBM is considered a third-party administrator (TPA), which is defined as any person who adjusts or settles claims on Ohio residents in connection with life, dental, health, prescription drugs, or disability insurance or self-insurance programs.<sup>1</sup> As a TPA, a PBM must maintain an active TPA license with the Ohio Department of Insurance and is subject to the same requirements and prohibitions as other TPAs.<sup>2</sup>

The bill establishes a stand-alone licensing process for PBMs that is separate from TPAs starting on July 1, 2027. After that date, a person is prohibited from providing pharmacy benefit management services or soliciting a plan or plan sponsor in Ohio to act as a PBM for the plan or plan sponsor without a PBM license. Any person who knowingly violates either prohibition is guilty of a misdemeanor of the fourth degree. The bill exempts licensed PBMs from the TPA licensure law.<sup>3</sup>

#### License application

The bill requires any person seeking a PBM license to submit an application to the Superintendent of Insurance along with all information the Superintendent considers necessary to process the application, including satisfactory evidence that the applicant meets the bill's licensure eligibility requirements. The application must be accompanied by a \$2,000 nonrefundable filing fee to be deposited in the Department of Insurance Operating Fund. By comparison, the filing fee for a TPA license application is \$200.<sup>4</sup>

#### Individual licensure

The bill distinguishes three types of PBM applicants, with varying requirements for each. An applicant seeking a PBM license as an individual must:

- Be at least 18 years old;
- Have not been previously convicted of a financially related felony;
- Have not committed any act that is grounds for the denial, suspension, or revocation of a PBM license;

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<sup>1</sup> R.C. 3959.01(B) and (N).

<sup>2</sup> R.C. Chapter 3959.

<sup>3</sup> R.C. 3957.01, 3957.02, 3957.03, 3957.99, and 3959.01(B)(6).

<sup>4</sup> R.C. 3957.04(A) and (B); R.C. 3959.06, not in the bill.

- Consent to a criminal records check, which must be determined to be satisfactory by the Superintendent;
- Provide proof of U.S. citizenship or legal authorization to work in the United States;
- Provide any additional information or documents required by the Superintendent.<sup>5</sup>

### **Business entity licensure**

An applicant seeking a PBM license as a business entity must:

- Be domiciled or maintain its principal place of business in Ohio, evidenced by a certificate of good standing issued by the Secretary of State;
- Identify all officers, directors, partners, or members of the business entity and identify any owners or members that hold 5% or more ownership in the entity;
- Identify an officer, director, partner, or member responsible for the entity's compliance;
- Not have been, and not have any officer, director, partner, or member that has been, previously convicted of a financially related felony;
- Not have, and not have any officer, director, partner, or member that has, committed any act that is grounds for the denial, suspension, or revocation of a PBM license;
- Provide any additional information or documents requested by the Superintendent.<sup>6</sup>

### **Nonresident licensure**

An individual or business entity may seek a nonresident PBM license, instead of an individual or business entity license, if the applicant holds a current, valid license in another state and meets the following requirements:

- Submit an application for a PBM license;
- Not have committed any act that is grounds for the denial, suspension, or revocation of a PBM license;
- If a business entity, provide a certificate of good standing for a foreign corporation issued by the Secretary of State;
- If a business entity, identify all officers, directors, partners, or members of the entity and identify any owners or members that hold 5% or more ownership in the entity;
- Not have committed, and not have any officer, director, partner, or member that has committed, any act that is grounds for the denial, suspension, or revocation of a PBM license;
- Be licensed in a state that issues nonresident PBM licenses to Ohio residents on the same basis as under the bill;

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<sup>5</sup> R.C. 3957.04(C)(1).

<sup>6</sup> R.C. 3957.04(C)(2).

- Provide any additional information or documents requested by the Superintendent.<sup>7</sup>

An applicant that does not meet the requirements for a nonresident license must instead meet the requirements for an individual or business entity applicant to obtain a PBM license.<sup>8</sup>

### **Approval or denial**

The Superintendent must approve or deny a PBM license application within a reasonable time after its receipt.<sup>9</sup> Within 30 days after denying an application, the Superintendent must notify the applicant of the denial and the reason for the denial. The notice must include a statement that the applicant is entitled to a hearing under the Administrative Procedure Act if requested.<sup>10</sup> If an application is approved and the filing fee received, the Superintendent must grant the applicant a license to operate as a PBM in Ohio.<sup>11</sup>

### **License renewal**

A PBM license under the bill is considered effective on the day of approval. A license expires annually on June 30, except that if it is approved in May or June, it will not expire until June 30 of the following year. Under continuing law, a TPA license is also effective on approval, and expires annually on June 30.<sup>12</sup>

Under the bill, the Superintendent must notify licensees regarding license renewal by May 1 of each year. To renew a license, a PBM must apply to the Department and pay a \$3,000 renewal fee. By comparison, the renewal fee for a TPA license is \$300. If a PBM does not apply for renewal and pay the renewal fee, the license expires on the expiration date, and beginning on that date the person cannot operate as a PBM in Ohio. To reinstate an expired license, an applicant must apply as if applying for an initial license and pay a filing fee of \$4,500 (1.5 times the renewal fee of \$3,000).<sup>13</sup>

### **Prohibited conduct**

Under the bill, the Superintendent may take disciplinary action if a PBM is found to have done any of the following:

- Violated any provisions of the PBM law or associated rules or any consent agreement or order of the Superintendent;
- Provided incorrect, misleading, incomplete, or materially false information in the application for licensure or renewal;

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<sup>7</sup> R.C. 3957.04(C)(3).

<sup>8</sup> R.C. 3957.04(C)(4).

<sup>9</sup> R.C. 3957.05.

<sup>10</sup> R.C. 3957.06.

<sup>11</sup> R.C. 3957.07.

<sup>12</sup> R.C. 3957.07; R.C. 3959.09, not in the bill.

<sup>13</sup> R.C. 3957.08.

- Obtained or attempted to obtain a license through misrepresentation or fraud;
- Misappropriated, converted, or improperly withheld insurance company premiums or contributions, excluding interest earnings received by the PBM that are disclosed in writing to the plan sponsor;
- In the transaction of business in Ohio or another state, been convicted of using fraudulent, coercive, or dishonest practices or demonstrated incompetence, untrustworthiness, or financial irresponsibility;
- Failed to appear in response to a subpoena, examination, warrant, or other order lawfully issued by the Superintendent;
- Is affiliated with or under the same general management or interlocking directorate or ownership of another PBM that transacts business in Ohio and is not licensed;
- Had a license or its equivalent suspended, revoked, or not renewed in any other state, district, territory, or province;
- Been, or has an owner that has been, convicted of a financially related felony;
- Been, or has an owner that has been, convicted of or pleaded guilty or no contest to a felony, regardless of whether a judgment of conviction was entered by the court.<sup>14</sup>

If the Superintendent has information that a person has engaged in any of the prohibited conduct described above, or if the Superintendent believes it to be in the best interest of the public, insurers, and plan sponsors, the Superintendent may (1) investigate the person, as permitted under the bill or by Department rule, or (2) issue subpoenas to compel the attendance and testimony of witnesses or the production of books, accounts, papers, records, or documents. If a person fails to comply with such an order or subpoena, upon application of the Superintendent, an applicable common pleas judge must compel obedience by contempt proceedings.<sup>15</sup>

### **Administrative penalties and remedies**

If the Superintendent determines that a PBM has engaged in any of the prohibited conduct, or believes it to be in the best interests of the public, insurers, and plan sponsors, the Superintendent may do one or more of the following against the PBM:

- Assess a civil penalty up to \$15,000 per violation;
- Assess administrative costs to cover the expenses incurred by the Department in the administrative action, to be credited to the Department of Insurance Operating Fund;

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<sup>14</sup> R.C. 3957.10(A).

<sup>15</sup> R.C. 3957.10(B).

- Suspend the PBM’s license. Upon notice of an order of suspension, the PBM must promptly deliver its license to the Superintendent, unless the order is appealed;<sup>16</sup>
- Permanently revoke the PBM’s license;
- Refuse to issue a PBM license to an applicant;
- Refuse to renew a PBM license;
- Prohibit a PBM licensee from engaging in the business of insurance, or if the licensee is an individual, from being employed by a licensed PBM entity. The Superintendent is permitted to determine the scope and conditions of these restrictions.
- Order corrective action in lieu of or in addition to the other penalties, which may include suspending a civil penalty, license revocation, license suspension, or refusal to issue or renew a license, if the PBM complies with the corrective action order;
- In lieu of a license revocation or suspension, accept a license surrender from the PBM for at least five years, prohibiting the PBM from seeking a license in the business of insurance in Ohio during that period.<sup>17</sup>

### **Cease and desist order**

If a person engages in prohibited conduct, and that conduct causes substantial and material harm or the Superintendent believes it to be in the best interests of the public, insurers, and plan sponsors, the Superintendent may issue an order requiring the person to cease and desist from engaging in the conduct. The Superintendent must immediately provide notice of the order to all persons known to be involved in the conduct and after that may publicize or otherwise notify all other interested parties. The notice must specify the particular act, omission, practice, or transaction that is the subject of the order, and must set a date for a hearing within 15 days of the order. Each person must comply with the order immediately upon receiving it. The Superintendent must hold a hearing on the order in accordance with the Administrative Procedure Act and must issue a final order within 15 days after objections are submitted. A cease and desist order is cumulative and concurrent with the administrative penalties and remedies described above and does not prevent the exercise of any other of those remedies.<sup>18</sup>

### **Attorney General action**

If the Superintendent has reasonable cause to believe that a person has violated any order described above, the Superintendent may request that the Attorney General commence and prosecute an action in the name of the state against the person. In the action, the court may

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<sup>16</sup> R.C. 3957.10(D).

<sup>17</sup> R.C. 3957.10(C).

<sup>18</sup> R.C. 3957.10(E).

impose a civil penalty of up to \$15,000, injunctive relief, restitution, and any other appropriate relief.<sup>19</sup>

### **Notice of adverse administrative action or criminal prosecution**

The bill requires a licensed PBM to disclose certain adverse administrative actions against the PBM to the Superintendent. Specifically, a PBM must notify the Superintendent if the PBM, or one of its owners, is subject to administrative action by a government entity in any state while holding a PBM license in Ohio. The PBM must provide notice within 30 days after final disposition of the matter, including a copy of the order or any other relevant documents to the matter.

Similarly, a PBM must notify the Superintendent if the PBM, or one of its owners, is subject to a criminal prosecution in any state (excluding a misdemeanor traffic offense) while holding a PBM license in Ohio. The PBM must provide notice within 30 days after the person initially appears before a judge or magistrate and must include a certified copy of the charging document. Within 30 days of final disposition of the prosecution, the PBM must provide a certified copy of the court entry reflecting the final disposition and any other relevant documents.<sup>20</sup>

### **Written agreements**

Similar to TPAs under continuing law, after July 1, 2027, the bill requires a PBM to enter into a written agreement with a plan sponsor before acting as a PBM in Ohio. Under continuing law, a “plan sponsor” is the person who establishes an arrangement in written form for the payment of life, dental, health, or disability benefits to covered persons defined by the summary plan description. The term includes a drug benefit plan administered by a pharmacy benefit manager.

The written PBM agreement must include the same content required for a TPA agreement under continuing law:

- The term of the agreement;
- An explanation of the services to be performed;
- The method and rate of compensation to be paid by the plan sponsor for services rendered;
- Provisions for the renewal and termination of the agreement.<sup>21</sup>

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<sup>19</sup> R.C. 3957.10(F).

<sup>20</sup> R.C. 3957.11.

<sup>21</sup> R.C. 3957.09(A) and (B), 3957.01, and 3959.01; R.C. 3959.11, not in the bill.

## Conduct under the agreement

The bill also creates several new requirements related to the PBM's conduct under the written agreement with the plan sponsor that do not apply under the TPA law. Specifically, the bill requires a PBM to do all of the following:<sup>22</sup>

- Retain the written agreement as part of the PBM's official records for the duration of the agreement plus five years thereafter;
- Maintain customary and relevant books and records of all transactions and information relative to covered persons or beneficiaries for the duration of the agreement, either electronically or in physical form at the PBM's principal place of business or branch office. The PBM must make those books and records available to the Superintendent or the Superintendent's designee at any time upon request; however, any protected health information received from the request must be maintained in compliance with all federal and state privacy laws, including the "Health Insurance Portability and Accountability Act" (HIPAA) privacy rule.
- Annually, or more frequently, account to the plan sponsor for any pricing discounts, rebates, inflationary payments, credits, claw backs, fees, grants, charge backs, reimbursements, or other benefits received by the PBM. The PBM must give the plan sponsor access to all financial and utilization information used in providing pharmacy benefit management services to the plan sponsor. The bill defines "rebate" as a discount or other price concession, or payment attributable to the utilization of a prescription drug in Ohio, that is paid by the drug manufacturer directly to the PBM after the claim has been processed and paid at a pharmacy.<sup>23</sup>
- Disclose, in writing, to the plan sponsor the terms and conditions of any contract or arrangement between the PBM and any other related party, including pharmacy benefit management services to group purchasing organizations;
- Disclose, in writing, to the plan sponsor any activity, policy, practice, contract, or arrangement that directly or indirectly presents any conflict of interest concerning the PBM's relationship with or obligation to the plan sponsor.

In addition, like TPAs under continuing law, the bill requires a PBM to maintain any required insurance coverage or bond provided for or mandated by the federal "Employee Retirement and Income Security Act of 1974" (ERISA).<sup>24</sup>

## Disclosures and use of plan funds

Beginning July 1, 2027, the bill prohibits a PBM from doing any of the following:

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<sup>22</sup> R.C. 3957.09(B) to (F).

<sup>23</sup> R.C. 3957.01(Q).

<sup>24</sup> R.C. 3957.09(H); R.C. 3959.11, not in the bill.

- Using plan sponsor funds for any purpose not specifically outlined in writing by the PBM;
- Failing to disclose in written solicitation materials and at least once annually to contracted plan sponsors any ownership relationship of 5% or more between the PBM and an insurer;
- Failing to remit insurance premiums within the policy period or within the time agreed to in writing between the insurer and the PBM;
- Failing to disclose in writing the method of collecting and holding a plan sponsor's funds.<sup>25</sup>

All of the same prohibitions apply to TPAs under continuing law. In addition, continuing law requires TPAs to disclose fixed plan costs, levels of the specific excess insurance stop-loss deductible, and aggregate excess insurance stop-loss attachment point factors (including minimum point factors). Those additional disclosures do not apply to PBMs under the bill.<sup>26</sup>

## Advertisements

Beginning July 1, 2027, the bill prohibits a PBM from causing or knowingly permitting the use of an advertisement, promotion, solicitation, representation, proposal, or offer that is untrue, deceptive, or misleading.<sup>27</sup>

## Books and records

The bill requires PBMs to maintain relevant books and records that reflect all administered transactions, specifically regarding premiums or contributions received and deposited and claims and authorized expenses paid. A PBM must do all the following:

- Maintain relevant books and records that reflect all transactions administered by the PBM pursuant to written agreements with plan sponsors, specifically regarding premiums or contributions received and deposited and claims and authorized expenses paid;
- Prepare, journalize, and post the relevant books and records in accordance with the terms and conditions of the service agreement between the PBM and the insurer or plan sponsor and in accordance with ERISA;
- Maintain the relevant books and records for the period in which the PBM provides services for the applicable insurer or plan sponsor, and for ten years afterwards;
- Maintain a cash receipts register of all premiums or contributions received, including the date the contributions are received and deposited.<sup>28</sup>

The books and records requirements prescribed by the bill are substantially similar to those that apply to TPAs under continuing law, except that TPAs are required to retain such books and records only for the period in which the TPA provides services to the insurer or plan sponsor.

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<sup>25</sup> R.C. 3957.12.

<sup>26</sup> R.C. 3959.14, not in the bill.

<sup>27</sup> R.C. 3957.14(B).

<sup>28</sup> R.C. 3957.13(A).

Conversely, the bill requires PBMs to retain such records for ten years after the end of that period.<sup>29</sup>

## **Description of disbursements**

Additionally, the bill requires a PBM's description of a disbursement to identify the source document related to the disbursement and all of the following: (1) the check number, (2) the date of disbursement, (3) the person to whom the disbursement was made, (4) the amount disbursed and, if the amount disbursed does not align with the amount billed or authorized, a written record as to the application for the disbursement, and (5) if the disbursement is for an earned PBM fee or commission, a written record reflecting the identifying deposit from which the fee is matched. All journal entries for receipts and disbursements must be supported by evidence that is referenced in the journal entry so that it can be traced for verification.<sup>30</sup>

The bill's requirements related to a PBM's description of disbursements are substantially similar to those that apply to TPAs under continuing law.<sup>31</sup>

## **Account reconciliation**

Like TPAs under continuing law, the bill requires PBMs to prepare and maintain monthly financial institution account reconciliations, if requested by the insurer or plan sponsor as provided in the service agreement.<sup>32</sup> Also like TPAs, within 90 days of the end of the plan's fiscal year, a PBM must file a report with the insurer or plan sponsor that discloses all the following:

- The total premiums or contributions received from the plan sponsor, covered persons, or beneficiaries;
- The total administration fees withdrawn by the PBM pursuant to the written service agreement;
- The total claim payments made during the reporting period.<sup>33</sup>

## **Return premiums or contributions**

Additionally, the bill requires any return premiums or contributions to be paid to the insurer or plan sponsor or credited to its account within 30 days after receipt by the PBM. If the return premium or contribution is credited to the insurer or plan sponsor, the credit must be shown and applied to the next billing statement sent to the insurer or plan sponsor. The same requirements apply to TPAs under continuing law.<sup>34</sup>

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<sup>29</sup> R.C. 3959.15, not in the bill; R.C. 3957.13(A)(3).

<sup>30</sup> R.C. 3957.13(B) and (C).

<sup>31</sup> R.C. 3959.15, not in the bill.

<sup>32</sup> R.C. 3957.13(D); R.C. 3959.15(H), not in the bill.

<sup>33</sup> R.C. 3957.13(E); R.C. 3959.15(I), not in the bill.

<sup>34</sup> R.C. 3957.13(F); R.C. 3959.15(J), not in the bill.

## Examination of books and records

The bill expressly authorizes the Superintendent to examine the relevant books and records of a PBM. To carry out this duty, the Superintendent may contract with a third party to examine the relevant books and records.<sup>35</sup> The bill limits the Superintendent's or the third party's examination to the following related to any contracts involving a PBM and a plan sponsor of a health benefit plan or health plan issuer:

- The aggregate amount of rebates received by a PBM;
- The aggregate amount of rebates distributed by a PBM to a plan sponsor;
- The aggregate amount of rebates passed on to a person covered under a health benefit plan at the point of sale that reduced the person's applicable deductible, copayment, coinsurance, or other cost-sharing amount;
- The individual and aggregate amount a plan sponsor paid for pharmacist services itemized by pharmacy, product, and goods and services, including other drug or device services;
- The individual and aggregate amount a PBM paid for pharmacist services itemized by pharmacy, product, and goods and services, including other prescription drug or device services.<sup>36</sup>

No similar provisions apply to TPAs under continuing law.

## Expenses related to examination requirements

The bill requires a PBM to pay all expenses associated with any of the bill's examination requirements, including expenses related to a contract between the Superintendent and a third party conducting the examination. The Superintendent must provide the PBM with an itemized statement of the expenses, and the PBM must remit the full amount to the Superintendent, who must deposit those amounts in the Department of Insurance Operating Fund.<sup>37</sup>

## Opportunity to correct violations

If a PBM violates any provision of the bill, the Superintendent must notify the PBM of the violation. The PBM then has 60 days to correct the violation. The same cure period applies to TPAs under continuing law.<sup>38</sup>

## Effect of child support default on license

If a licensee is determined to be an obligor under a child support order, the Department may not issue a license to the individual, may not renew a license issued to the individual, and

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<sup>35</sup> R.C. 3957.13(H).

<sup>36</sup> R.C. 3957.13(G).

<sup>37</sup> R.C. 3957.13(I).

<sup>38</sup> R.C. 3957.13(J); R.C. 3959.15(K), not in the bill.

must suspend any license issued to the individual. The same provision applies to TPAs under continuing law.<sup>39</sup>

## **Federal preemption**

The bill's provisions do not apply to an employer's self-insurance or fully insured plan to the extent that federal law supersedes, preempts, prohibits, or otherwise precludes its application to such a plan. A similar limitation applies to TPAs under continuing law.<sup>40</sup>

## **Confidentiality**

The bill specifies that all information obtained by the Superintendent or the Department in administering the PBM licensure program is proprietary and confidential, specifically under continuing law governing the confidentiality of insurance products. It also specifies that the information is not subject to the Public Records Law.<sup>41</sup>

## **Rules**

The bill requires the Superintendent to establish and administer the stand-alone pharmacy benefit manager licensure process. The process must be established by rule adopted under Ohio's Administrative Procedure Act. The Superintendent also may adopt any other rules necessary for the administration, implementation, and enforcement of the PBM licensure process. When adopting rules, the Superintendent must consider standards and procedures that have been found to be best practices relative to the use and regulation of PBMs.<sup>42</sup>

## **Conforming changes**

As part of the establishment of a stand-alone PBM license, the bill makes corrective and conforming changes to the TPA law to (1) remove references to PBMs in that law and (2) to move provisions related to the provision of pharmacy benefit management services to the new PBM chapter of the Revised Code created under the bill.<sup>43</sup>

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<sup>39</sup> R.C. 3957.16; R.C. 3959.17, not in the bill.

<sup>40</sup> R.C. 3957.15; R.C. 3959.16, not in the bill.

<sup>41</sup> R.C. 3959.14(A) and 3905.24.

<sup>42</sup> R.C. 3957.02.

<sup>43</sup> R.C. 3957.25, 3957.26, and 3957.27, with conforming changes in R.C. 1751.92, 3923.87, 3957.01, 3959.01, and 3959.12.

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## HISTORY

Action	Date
Introduced	04-09-25
Reported, H. General Government	10-08-25
Passed House (97-0)	10-08-25
Reported, S. Financial Institutions, Insurance & Technology	--

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