



COMMONWEALTH OF MASSACHUSETTS
Office of Consumer Affairs and Business Regulation
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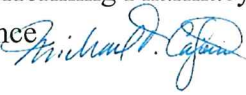
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MICHAEL T. CALJOUW
COMMISSIONER

BULLETIN 2025-04

TO: Pharmacy Benefit Managers; organizations performing Pharmacy Benefit Management Services
From: Michael T. Caljouw, Commissioner of Insurance 
Date: September 18, 2025
Re: Requirements for 2026 Licensure of Pharmacy Benefit Managers

Background

The Division of Insurance (“Division”) issues this Bulletin 2025-04 to implement the 2026 licensure of Pharmacy Benefit Managers (“PBMs”) in the Commonwealth of Massachusetts. Chapter 342 of the Acts of 2024 (the “Act”), codified at M.G.L. c. 176Y, charges the Division of Insurance with the licensure and regulatory oversight of PBMs. Consistent with this law, the Division of Insurance issues this Bulletin to implement its licensure requirements.

M.G.L. c. 176Y, § 2(a) provides, in relevant part, that “[n]o person, business or other entity shall establish or operate as a pharmacy benefit manager without obtaining a license from the division pursuant to this section.” The statute further provides that a PBM may only operate properly in Massachusetts when the Division is satisfied that the entity possesses the necessary organization, background expertise, and financial integrity to supply the services sought to be offered. All PBMs operating within the Commonwealth of Massachusetts must be licensed in accordance with M.G.L. c. 176Y on and after January 1, 2026. As such, unless licensed by the Massachusetts Division of Insurance, no person, business, or other entity is permitted to operate as a PBM in Massachusetts on and after that date.

The Division of Insurance will also be issuing regulations to implement the provisions of M.G.L. c. 176Y. **The Division is issuing Bulletin 2025-04 to advise entities seeking to operate as PBMs in the Commonwealth of Massachusetts concerning the requirements for licensure so that they may timely file and be considered for 2026 licensure.**

In accordance with M.G.L. c. 176Y,

- A PBM is “a person, business or other entity, however organized, that directly or through a subsidiary provides pharmacy benefit management services for prescription drugs and devices on behalf of a health benefit plan sponsor, including, but not limited to, a self-insurance plan, labor union or other third-party payer; provided, however, that ‘pharmacy benefit manager’ shall not include a health benefit plan sponsor unless otherwise specified by the division.”

- Pharmacy benefit management services are “services performed by a pharmacy benefit manager, including: (i) negotiating the price of prescription drugs, including negotiating and contracting for direct or indirect rebates, discounts or other price concessions; (ii) managing any aspects of a prescription drug benefit, including, but not limited to, formulary administration, mail-order pharmacy and specialty drug pharmacy services, clinical, safety and adherence programs for pharmacy service, the processing and payment of claims for prescription drugs, arranging alternative access to or funding for prescription drugs, the performance of drug utilization review, the processing of drug prior authorization requests, the adjudication of appeals or grievances related to the prescription drug benefit, contracting with network pharmacies, controlling the cost of covered prescription drugs and managing or providing data relating to the prescription drug benefit or the provision of services related thereto; (iii) performance of any administrative, managerial, clinical, pricing, financial, reimbursement, data administration or reporting or billing service related to a health benefit plan’s prescription drug benefit; and (iv) such other services as the division may define in regulation.”

Application for Initial Licensure (2026):

Applicants seeking to operate as a PBM in the Commonwealth of Massachusetts on and after January 1, 2026 must submit an application no later than October 15, 2025. If granted, a license will be for a one-year period through December 31, 2026. Each Applicant must provide the information required in the attached Application. The categories of required information generally include:

- **Contact Information** – e.g., the company’s primary contact, agent for service of process, power of attorney, etc.
- **Organizational Information** – e.g., the foundational organizational documents, by-laws/rules, identification of individuals responsible for the conduct of the Applicant’s affairs; and
- **Operational Information** – e.g., audited financial statements, internal systems and control information, applicable service plans within the Commonwealth of Massachusetts.

Please note that Applicants must also report to the Division of Insurance any material changes to the information submitted within the application, certified by an officer of the PBM, within 30 days of such a change during the period of the consideration of licensure or licensure.

Applicants that have not been issued a PBM license are not permitted to conduct the activities of a PBM in Massachusetts until such time that a license has been issued by the Division of Insurance. Required information that is submitted late or in an incomplete manner in the Division’s discretion, may result in the denial of a license or the issuance of an initial license for a period after January 1, 2026. The Applicant may not operate in the Commonwealth of Massachusetts until a license is issued.

Filing Fee

The term for the initial PBM licensure will be one year and the associated filing fee will be a non-refundable filing fee of \$8,334. A subsequent license application for a three-year term will be a non-refundable fee of \$25,000.

The Division of Insurance will not issue a PBM license to an Applicant who has satisfied all licensing requirements unless and until the Applicant has submitted and the Division of Insurance has received the appropriate application fee(s) for license(s).

Required fees must be sent by check or money order, **payable to the Commonwealth of Massachusetts**, and **sent by certified mail to:**

**Division of Insurance, Attn: Company Licensing
One Federal Street, 7th Floor
Boston, MA 02110**

The check or money order should reference the term “PBM Application Filing Fee” and the Applicant’s name and application.

Submission of Licensure Materials & Filing Fee

Applicants must submit completed applications to the Division electronically using the Commonwealth’s secure electronic file transfer system (“MOVEit”).

Applicants must initiate the MOVEit access configuration process by sending the following required information to DOI.PBM@mass.gov ***for the individual that will SUBMIT the application via MOVEit:***
(1) Name; (2) Email address; (3) Phone number; and (4) Company/Affiliation.

Note: Applicants are encouraged to promptly contact Division staff at DOI.PBM@mass.gov with the required information to support timely MOVEit access configuration, which can take multiple business days. Applicants should allow sufficient time for complete access configuration.

All application materials and the required filing fee must be submitted to the Massachusetts Division of Insurance by October 15, 2025.

Any questions regarding this Bulletin should be directed to DOI.PBM@mass.gov.

Attachment

“Commonwealth of Massachusetts PBM Initial Licensing Application for CY2026”

Attachment to Bulletin 2025-04

**Pharmacy Benefit Manager Application for an Initial One Year License
for the period of January 1, 2026 to December 31, 2026**

In accordance with M.G.L. c. 176Y, §§ 2(a) & 2(e) and Bulletin 2025-04 issued by the Massachusetts Division of Insurance, each Applicant seeking to operate as a Pharmacy Benefit Manager (PBM) to provide pharmacy benefit management services in the Commonwealth of Massachusetts must submit an application for an initial one-year license for the period of January 1, 2026 to December 31, 2026, that contains at least the following information:

1. The name, address, and contact phone number of the Applicant.
2. The name, address, phone number, email address, and title of the employee who will serve as the Division's primary contact for the Applicant.
3. The name and address of the agent of the Applicant for service of process in the Commonwealth and a power of attorney authorizing the Commissioner to accept service of process for any legal actions commenced against a PBM not domiciled in the Commonwealth of Massachusetts.
4. A copy of the basic organizational documents, such as articles of incorporation, articles of association, partnership agreement, trust agreement, or any other applicable document establishing the PBM and all amendments thereto, and other documents as necessary, including but not limited to:
 - a. The Applicant's federal employer identification number;
 - b. Proof that the Applicant is registered with the Massachusetts Secretary of the Commonwealth; and
 - c. A copy of the by-laws, rules and regulations, or other similar document regulating the conduct of the Applicant's internal affairs.
5. A document signed by an authorized official of the Applicant that indicates that no officer with management or control of the PBM has been convicted of a felony or has violated any of the requirements of state law applicable to PBMs, or, if the Applicant cannot provide such a statement, a signed statement describing any relevant conviction or violation.
6. The name address, official position, and professional qualifications of each individual who is responsible for the conduct of the affairs of the PBM, including all members of the board of directors, board of trustees, executive committee, other governing board or committee, the principal officers in the case of a corporation, the partners or members in the case of a partnership or association, including but not limited to including the name, principal occupation, and employer of each such person.
7. Biographical affidavits (OMITTING SOCIAL SECURITY NUMBERS) for all officers, directors, trustees, and key managerial personnel of the Applicant, in a manner consistent with the National Association of Insurance Commissioners' biographical affidavits.
8. Audited financial statements specific to the Applicant, including but not limited to, audited financial reports, maintained and prepared in accordance with generally accepted accounting principles prescribed or permitted by the Commissioner, for at least the prior three fiscal years, if applicable, of the PBM's existence.
9. A statement of the Applicant's accounting system and organization, management and internal controls, and processes and procedures to address customer service needs in the

Commonwealth, including but not limited to those for addressing consumer complaints in a timely and effective manner.

10. A service plan describing the following with respect to the PBM's operations in Massachusetts: the service area of the PBM, serviced health insurers and/or accounts serviced by the PBM, the anticipated population to be serviced by the PBM, and an up-to-date inventory of owned, operated, contracted, and/or participating pharmacies.
11. A copy of the organizational chart with titles in the areas of marketing, administration, enrollment, grievance procedures, quality assurance, contract negotiation, and financial matters.
12. If the Applicant is a member of a holding company, an organizational chart displaying all parents, subsidiaries, and affiliates of the Applicant.
13. A narrative of the Applicant's organizational structure; a detailed description of any material ownership interest(s) (for purposes of this Bulletin, defined as 10% or more) in any subsidiary, parent, affiliate, aggregator, rebate aggregator, carrier, pharmacy, drug manufacturer, or other person or entity whose business impacts the PBM; a description of the service area and pharmacy network; the roles, functions, responsibilities of, and interrelationships among pharmacies and the methods of pharmacy reimbursement and arrangements.
14. A statement signed by an authorized official of the Applicant disclosing at least a 10% ownership interest, held either directly or indirectly or through an affiliate, holding company, subsidiary, and/or other person or entity by any insurance carrier in the PBM, or any ownership interest, held either directly or indirectly or through an affiliate, holding company, or subsidiary by the PBM in an insurance carrier.
15. Letters of financial support, credit, bond, loan guarantee, or other financial guarantee to the Applicant and any supporting information and limitations thereon.
16. A Certificate of Insurance of professional liability insurance of all officers and any employees.
17. A statement of insurance or self-funded insurance coverage for:
 - a. Protection against loss of property and liability of the PBM; and
 - b. Workers' compensation to protect against claims arising from work-related injuries.
18. A listing of the Applicant's legal and accounting representatives by name and address.
19. If applicable, the total number and amount of all claims paid for Massachusetts residents for the most recent calendar year.
20. Any other information deemed necessary and requested by the Commissioner.
21. A non-refundable filing fee of \$8,334 (eight thousand three hundred and thirty-four dollars) for the initial license application for the one-year period through December 31, 2026.
22. Completed Signature and Certification, as required on the following page.

As provided in M.G.L. c. 176Y, § 2(e), an Applicant shall report to the Division any material changes to the information contained in its application, certified by an officer of the PBM, within 30 days of such a change.

*****IMPORTANT: See body of Bulletin 2025-04 for associated license application information, including but not limited to key definitions, timeline, filing fee, and submission instructions.**

To initiate MOVEit access configuration for application submission, Applicants should promptly send the (1) Name, (2) Email, (3) Phone number, and (4) Company/Affiliation of the individual that will SUBMIT the application via MOVEit to DOI.PBM@mass.gov***

SIGNATURE AND CERTIFICATION

Completed applications will include required signature and certification as follows:

SIGNATURE

Pursuant to the authority and requirements of M.G.L. c. 176Y, the Division of Insurance's Bulletin 2025-04 and Commonwealth of Massachusetts Initial PBM Licensing Application for CY2026, the Applicant has caused this application to be duly signed on its behalf in the City of _____ and State of _____ on the _____ day of _____, 20____.

(SEAL) _____

(Name of Applicant)

By _____

(Name) (Title)

Attest:

(Signature of Officer)

(Title)

CERTIFICATION

The undersigned deposes and says that he or she has duly executed the attached application dated _____, 20____, for and on behalf of _____.

(Name of Applicant)

that he or she is the _____

(Title of Officer)

of such company and that he or she is authorized to execute and file such application. Deponent further says that he or she is familiar with such application and the contents thereof, and that the facts therein set forth are true to the best of his/her knowledge, information and belief.

(Signature) _____

(Type or print name beneath) _____