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**OFFICE OF THE LIEUTENANT GOVERNOR
ALASKA**

M E M O R A N D U M

TO: Sara Chambers, Boards and Regulations Advisor
Department of Commerce, Community and Economic Development

FROM: April Simpson, Alaska Administrative Code Coordinator 
Office of the Lieutenant Governor

DATE: June 13, 2025

RE: Filed Permanent Regulations: Division of Insurance

Department of Commerce, Community and Economic Development regulations re:
Division of Insurance - Pharmacy Benefit Managers (3 AAC 23, 31)

Attorney General File:	2024200445
Regulation Filed:	6/13/2025
Effective Date:	7/13/2025
Print:	255, October 2025

cc with enclosures: Beth Parsons, Paralegal 2
Department of Law

Bob Dame, Alaska Legal Analyst
LexisNexis

Lieann Amante, Regulations Specialist
Department of Commerce, Community and Economic Development



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Law

CIVIL DIVISION

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Juneau, Alaska 99811
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June 12, 2025

The Honorable Nancy Dahlstrom
Lieutenant Governor
State of Alaska
P.O. Box 110015
Juneau, AK 99811-0015

Re: 3 AAC 23, 31: *Div of Insurance: Pharmacy Benefit Managers*
Our file: 2024200445

Dear Lieutenant Governor Dahlstrom:

The Department of Law has reviewed the attached regulations of the Division of Insurance against the statutory standards of the Administrative Procedure Act. Based upon our review, we find no legal problems. This letter constitutes the written statement of approval under AS 44.62.060(b) and (c) that authorizes your office to file the attached regulations. The regulations were adopted by the Division of Insurance after the close of the public comment period.

In response to the enactment of ch. 61, SLA 2024 (SCS CSHB 226(L&C)), the regulations establish registration and recordkeeping requirements for pharmacy benefits managers, establish penalties for noncompliance with the statutes or regulations, and apply the existing registration fee that already applies to a resident or nonresident third-party administrator for an individual or firm.

The February 16, 2025 public notice and the June 11, 2025 adoption order both state that this action is not expected to require an increased appropriation. Therefore, a fiscal note under AS 44.62.060 is not required.

No technical corrections were necessary to conform the regulations in accordance with AS 44.62.060.

Sincerely,

TREG TAYLOR
ATTORNEY GENERAL

By: Rebecca C Polizzotto
Rebecca C. Polizzotto
Chief Assistant Attorney General
Legislation, Regulations, and
Legislative Research Section

Digitally signed by
Rebecca C Polizzotto
Date: 2025.06.12
08:46:20 -08'00'

SCW/fcb

CC w/enclosure: Lieann Amante, Regulations Specialist
Department of Commerce, Community and Economic Development
Division of Insurance

Steven C. Weaver, Assistant Attorney General
Department of Law

ORDER ADOPTING CHANGES TO REGULATIONS
OF THE DIVISION OF INSURANCE

The attached 6 pages of regulations, dealing with Pharmacy Benefits Manager, are adopted and certified to be a correct copy of the regulation changes that the Division of Insurance adopts under the authority of AS 21.06.090, AS 21.27.150, AS 21.27.250, AS 21.27.380 AS 21.27, 390, AS 21.27.901, AS 21.27.952, AS 21.27.953 and after compliance with the Administrative Procedure Act (AS 44.62), specifically including notice under AS 44.62.190 and 44.62.200 and opportunity for public comment under AS 44.62.210.

This action is not expected to require an increased appropriation.

In considering public comments, the Division of Insurance paid special attention to the cost to private persons of the regulatory action being taken.

The regulation changes adopted under this order take effect on the 30th day after they have been filed by the lieutenant governor, as provided in AS 44.62.180.

Date: June 11, 2025

DocuSigned by:
Lori Wing-Heier
A304E3801107480

Lori Wing-Heier, Director
Division of Insurance
Department of Commerce, Community, and
Economic Development

April Simpson for

FILING CERTIFICATION

I, Nancy Dahlstrom, Lieutenant Governor for the State of Alaska, certify that on

June 13, 2025, at 1:07 p.m., I filed the attached regulations according to the provisions of AS 44.62.040 - 44.62.120.

for Nancy Dahlstrom

Lieutenant Governor

Effective: July 13, 2025.

Register: 255, October 2025.

FOR DELEGATION OF THE LIEUTENANT GOVERNOR'S AUTHORITY

I, NANCY DAHLSTROM, LIEUTENANT GOVERNOR OF THE STATE OF ALASKA, designate the following state employees to perform the Administrative Procedures Act filing functions of the Office of the Lieutenant Governor:

April Simpson, Regulations and Initiatives Specialist

IN TESTIMONY WHEREOF, I have signed and affixed the Seal of the State of Alaska, in Juneau, on May 15th, 2023.



A handwritten signature in blue ink, reading "Nancy Dahlstrom", is written over a horizontal dotted line.

**NANCY DAHLSTROM
LIEUTENANT GOVERNOR**

3 AAC 23 is amended by adding new sections to read:

3 AAC 23.093. Pharmacy benefits manager registration. (a) A person applying to be a pharmacy benefits manager shall apply on the forms provided by the director.

(b) To qualify for issuance or renewal of a registration, an applicant or registrant

(1) must be a trustworthy person in accordance with AS 21.27.020(b)(4);

(2) may not have committed an act that is a cause for denial, nonrenewal, suspension, or revocation of a registration or license in this state, another state, or another jurisdiction;

(3) must disclose to the director

(A) information in accordance with AS 21.27.040(a) for each owner, officer, director, or partner, including identity, professional history, professional experience, and a curriculum vitae or resume;

(B) each administrative action taken against an owner, officer, director, or partner by a governmental agency of the state or of another state or jurisdiction, or by a financial industry regulatory authority sanction or arbitration proceeding, if applicable;

(C) a criminal prosecution of an owner, officer, director, or partner in this state or another state or jurisdiction, including

(i) the criminal complaint;

(ii) the calendaring order; and

(iii) other relevant legal documents; and

(4) must submit the following with an application as set out in (a) of this section:

(A) the application fee required under 3 AAC 31.020(a);

(B) all basic organizational documents of the pharmacy benefits manager, including articles of incorporation, articles of association, partnership agreement, trade name certificate, trust agreement, shareholder agreement, and other applicable documents and all endorsements to the required documents;

(C) the name and address of the pharmacy benefits manager agent for service of process in this state;

(D) the bylaws, rules, regulations, or similar documents regulating the internal affairs of the pharmacy benefits manager;

(E) the names, electronic mailing addresses, physical addresses, official positions, and curricula vitae or resumes of persons who are responsible for the conduct of affairs of the pharmacy benefits manager, including each

(i) member of the board of directors;

(ii) member of the board of trustees;

(iii) member of the executive committee or other governing board or committee;

(iv) principal officer in the case of a corporation;

(v) partner or member in the case of a partnership, limited liability company, limited liability partnership, or association;

(vi) shareholder that holds directly or indirectly 10 percent or more of the voting securities of the pharmacy benefits manager; or

(vii) other person who exercises control or influence over the affairs of the pharmacy benefits manager;

(F) certified financial statements for the preceding two years, or for each

year and partial year that the applicant has been in business if less than two years; the certified financial statements must

(i) be prepared by an independent certified public accountant;

(ii) establish that the applicant is solvent;

(iii) establish that the applicant's system of accounting, internal control, and procedure is operating effectively to provide reasonable assurance that money is promptly accounted for and paid to the person entitled to the money; and

(iv) provide any other information that the director may require to review the current financial condition of the applicant; and

(G) written notification from a pharmacy benefits manager or applicant to the director not later than 30 days after

(i) a change in the information contained within the pharmacy benefits manager or applicant's registration, place of business, electronic mailing address, physical mailing address, or telephone number;

(ii) the final disposition of an administrative action taken against the registrant or an owner, officer, director, or partner of the registrant by a governmental agency of this state or of another state, by a governmental agency of another jurisdiction, or by a financial industry regulatory authority sanction or arbitration proceeding; in addition, a registrant shall submit to the director documents relating to the final disposition on the action, including the final order and other relevant legal documents; or

(iii) the conviction of a misdemeanor or felony of the pharmacy

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benefits manager, or any of its officers, directors, partners, or owners.

(c) Failure to disclose information required under (b)(4)(G) of this section during the 30-day period is cause for denial, revocation, or suspension of registration. (Eff. 7 / 13 / 2025, Register 255)

Authority: AS 21.06.090 AS 21.27.901

3 AAC 23.096. Pharmacy benefits manager structure and operation requirements.

A pharmacy benefits manager shall maintain complete books, including records of claim reimbursements, appeal outcomes, and reimbursement methodologies, about each insurer for which the pharmacy benefits manager provides pharmacy benefits management services to record storage schedules in accordance with AS 21.27.350. The director shall have access to the books and records maintained by a pharmacy benefits manager for the purposes of examining the pharmacy benefits manager's affairs. A pharmacy benefits manager shall provide books and records to the director upon request and not later than 10 calendar days after receiving the director's request. A pharmacy benefits manager shall maintain records for the duration of the agreement between the pharmacy benefits manager and the insurer, and for three years after the pharmacy benefits manager ceases to provide pharmacy benefits management services to the insurer. (Eff. 7 / 13 / 2025, Register 255)

Authority: AS 21.06.090 AS 21.27.953

3 AAC 23.099. Penalties. In addition to other penalties provided under the laws of this state, a pharmacy benefits manager that is found to have violated AS 21.27.901(d), 21.27.952,

applicable provisions of 3 AAC 23.093 or 3 AAC 23.096, or other applicable provisions of AS 21 or 3 AAC 21 - 3 AAC 31 is subject to

(1) a civil penalty of not more than \$10,000 for each violation;

(2) a civil penalty of not more than \$25,000 for each violation if the director determines that the pharmacy benefits manager willfully violated the provisions addressed in this section; or

(3) suspension or revocation of registration. (Eff. 7 / 13 / 2025, Register

255)

Authority: AS 21.06.090 AS 21.27.952 AS 21.27.953
AS 21.27.901

The introductory language of 3 AAC 31.020(a) is amended to read:

3 AAC 31.020. Insurance producer, managing general agent, reinsurance intermediary manager, reinsurance intermediary broker, controlling insurance producer, third-party administrator, pharmacy benefits manager, and independent adjuster fees. (a)

The following fees are established for resident and nonresident licenses, for insurance producers, managing general agents, reinsurance intermediary managers, reinsurance intermediary brokers, controlling insurance producers, third-party administrators, pharmacy benefits managers, and independent adjusters:

...

3 AAC 31.020(a)(5) is amended to read:

(5) initial application or biennial renewal for the registration of a resident or

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nonresident third-party administrator **or pharmacy benefits manager** for an individual or firm,
including issuance of the registration, if issued, \$300.

(Eff. 8/30/86, Register 99; am 6/2/88, Register 106; am 7/1/92, Register 123; am 4/20/97,
Register 142; am 9/24/99, Register 151; am 10/13/2011, Register 200; am 9/4/2014, Register
211; am 7 / 13 / 2025, Register 255)

Authority:	AS 21.06.090	AS 21.27.150	AS 21.27.390
	AS 21.06.250	AS 21.27.380	<u>AS 21.27.901</u>