

Blog Post

ACTION REQUIRED TO AVOID FINES! DEADLINE APPROACHING: Florida Pharmacy Benefit Managers Must Be Licensed as a Third-Party Administrator by January 1, 2024

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Pharmacy Benefit Managers (PBMs) take note! Under Florida's new Prescription Drug Reform Act, PBMs must be licensed as an insurance administrator (also known as a third-party administrator, or TPA). Under this new law, any entity that wishes to provide PBM services after January 1, 2024, must be licensed as a TPA.

The Florida Office of Insurance Regulation (OIR) has adopted a new TPA license application that incorporates the additional licensing requirements for PBMs. The TPA license application is available [here](#). For an entity that is not currently registered as a PBM, that entity will, in addition to obtaining a TPA license, have to register as a PBM. The PBM registration form is available [here](#).

Based on informal conversations with the OIR, we understand that many of the currently registered PBMs have not submitted their TPA license applications. The TPA licensing process can take several months, especially if a significant number of applications are submitted at or around the same time. We strongly encourage existing PBMs that wish

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to continue providing PBM services after January 1, 2024, to submit the TPA licensing application materials as soon as possible because the Act includes significant penalties and public scrutiny for unlicensed activities. *See* § 626.8805(1), Florida Statutes:

A person who, on or after January 1, 2024, does not hold a certificate of authority to act as an administrator while operating as a pharmacy benefit manager is subject to a fine of \$10,000 per violation per day (*emphasis added*). By January 15, 2024, the [OIR] shall submit to the Governor, the President of the Senate, and the Speaker of the House of Representatives a report detailing whether each pharmacy benefit manager operating in this state on January 1, 2024, obtained a certificate of authority on or before that date as required by this section.

For more information on the Prescription Drug Reform Act, please see our [previous blog](#). Akerman has significant experience with TPA licensing and the OIR's licensing process and is available to assist with the preparation and submission of license applications.

This information is intended to inform firm clients and friends about legal developments, including recent decisions of various courts and administrative bodies. Nothing in this Practice Update should be construed as legal advice or a legal opinion, and readers should not act upon the information contained in this Practice Update without seeking the advice of legal counsel. Prior results do not guarantee a similar outcome.