

60 Day Requirement (IC 4-22-2-19)

LSA Document #22-287

December 12, 2022

On behalf of the Indiana Department of Insurance (IDOI), I am submitting this notice in compliance with [IC 4-22-2-19](#), which requires an agency to begin the rulemaking process not later than 60 days after the effective date of the statute that authorizes the rule, unless a notice is filed with the Publisher stating the reasons for the agency's noncompliance.

[IC 27-1-24.5-20](#) requires the Commissioner of the IDOI to adopt rules to establish pharmacy benefit manager licensing requirements; licensing fees; a license application; financial standards for pharmacy benefit managers; reporting requirements described in [IC 27-1-24.5-21](#); and the timeframe for resolution of appeal under [IC 27-1-24.5-22](#). Further, [IC 27-1-24.5-22](#) requires the IDOI to adopt a rule to set forth procedures for auditing submitted claims by a contracted pharmacy. Finally, [IC 27-1-24.5-23](#) requires the IDOI to adopt a rule to set forth procedures for establishing maximum allowable cost pricing. Since the time [IC 27-1-24.5-1](#) *et seq.* was enacted in 2020, and later amended in 2021, the IDOI has worked to create the infrastructure required to responsibly regulate the pharmacy benefit manager industry, with the sparse resources allocated. The IDOI has worked with stakeholders throughout the development of the Proposed Rule and exposed two drafts of the Proposed Rule for comment prior to commencing the formal rulemaking action. Given the enormity and complexity of the regulatory authority the IDOI has been given, the IDOI was unable to begin the rulemaking action within 60 days of the statute authorizing the rule.

The IDOI initiated the rulemaking process by publishing its Notice of Intent to Adopt a Rule in the Indiana Register on September 21, 2022 (DIN: [20220921-IR-760220287NIA](#)).

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