
HOUSE COMMITTEE AMENDMENTS

2025 Regular Session

Amendments proposed by House Committee on Insurance to Original House Bill No. 264
by Representative Echols

1 AMENDMENT NO. 1

2 On page 1, line 2, after "reenact" delete the remainder of the line and delete lines 3 through
3 5 in their entirety and insert in lieu thereof "R.S. 22:1657.1(A) and (B)(introductory
4 paragraph) and (4) and to enact R.S. 22:1657.1(D) and 1860.3(F), relative to pharmacy
5 benefit managers; to modify the definition of rebates; to provide for reimbursement of
6 pharmacists and pharmacies; to provide for the commissioner of insurance's examination of
7 records and reimbursement programs; and to provide for related matters."

8 AMENDMENT NO. 2

9 On page 1, delete lines 7 through 19 in their entirety and insert in lieu thereof the following:

10 "Section 1. R.S. 22:1657.1(A) and (B)(introductory paragraph) and (4) are hereby
11 amended and reenacted and R.S. 22:1657.1(D) and 1860.3(F) are hereby enacted to read as
12 follows:

13 §1657.1. Pharmacy benefit manager rebate transparency report; examination by
14 commissioner

15 A. Each pharmacy benefit manager licensed by the commissioner of
16 ~~insurance~~ shall submit an annual transparency report as a condition of maintaining
17 licensure.

18 B. As used in this Section, the following definitions ~~shall~~ apply:

19 * * *

20 (4) "Rebates" ~~means all rebates, discounts, and other price concessions, based~~
21 ~~on utilization of a prescription drug and paid by the manufacturer or other party other~~
22 ~~than an enrollee, directly or indirectly, to the pharmacy benefit manager after the~~
23 ~~claim has been adjudicated at the pharmacy. Rebates shall include a reasonable~~
24 ~~estimate of any volume-based discount or other discounts~~ mean either of the
25 following:

26 (a) Negotiated price concessions such as base price concessions, including
27 those labeled as a rebate or otherwise; reasonable estimates of any price protection
28 rebates; and performance-based price concessions that may accrue directly or
29 indirectly to the health insurance issuer, plan, or other party on behalf of the health
30 insurance issuer or plan, including a pharmacy benefit manager, during the coverage
31 year. These concessions may come from a pharmaceutical manufacturer, dispensing
32 pharmacy, or other party in connection with the dispensing or administration of a
33 prescription drug.

34 (b) Reasonable estimates of any negotiated price concessions, fees, and other
35 administrative costs that are passed through, or are reasonably anticipated to be
36 passed through, to the health insurance issuer or plan that serve to reduce the health
37 insurance issuer's or plan's liabilities for a prescription drug.

38 * * *

39 D.(1) The commissioner may examine the books or records of a pharmacy
40 benefit manager to determine the accuracy of the transparency report; the individual
41 and aggregate amount paid by a health insurance issuer to the pharmacy benefit
42 manager for drugs, devices, or services provided by a pharmacist or pharmacy; and
43 the individual and aggregate amount a pharmacy benefit manger paid to a pharmacist
44 or pharmacy for drugs, devices, or services.

45 (2) This Section does not limit the power of the commissioner to examine or
46 audit the books or records of a pharmacy benefit manager.

47 * * *

48 §1860.3. Reimbursements; review by commissioner

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F. (1) The commissioner shall review and approve the compensation program of a pharmacy benefit manager or person acting on behalf of a pharmacy benefit manager with a health insurance issuer, pharmacy services administrative organization, pharmacy, or pharmacist, or any person acting on their behalf, to ensure that the reimbursement for drugs, devices, and services paid to the pharmacist or pharmacy is fair and reasonable.

(2) Information provided to the commissioner, as well as the terms and conditions of any contract and such other proprietary information, as specifically identified by the pharmacy benefit manager, shall be given confidential treatment and shall not be subject to subpoena nor be made public by the commissioner or any other person, except to the insurance departments of other states or any adjudicatory hearing or court proceeding invoked by the commissioner in accordance with the provisions of this Part."

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.