RÉSUMÉ DIGEST

ACT 914 (SB 387) **2026 Regular Session** **Bass**

Prior law defined key terms used in prior law.

New law retains prior law and adds definitions for "enrollee", "healthcare service", "person", "pharmacy benefit management fee", "pharmacy benefit management service", "provider", and "related entity". New law also amends the definitions for "local pharmacy", "pharmacy benefit manager", and "rebates".

New law provides for a PBM's duties owed to health insurance issuers and health plans.

New law provides for PBM compensation through pharmacy benefit manager flat dollar fees and flat dollar performance bonus and prohibits a PBM from retaining rebates and fees.

New law allows the commissioner of insurance and any health insurance issuer or health plan contracted with a PBM to audit the PBM once per calendar year, including the books and records from any entity in the PBM's vertical corporate structure. New law further provides for information that may be requested as part of the audit and provides for the protection of confidential and proprietary information through a public records exemption.

New law requires PBM contracts to specify all forms of revenue to be paid by the health insurance issuer or health plan to the pharmacy benefit manager and to acknowledge that spread pricing is not permitted.

New law provides that, in addition to any other penalty authorized by existing law, a violation of new law is punishable by the commissioner through a civil monetary penalty of $25,000 for each and every act or violation, with no aggregate penalty maximum.

New law further provides that if a violation is not corrected within 30 days after notice of the violation is received by the PBM, the commissioner must suspend or revoke the pharmacy benefit manager's license.

New law authorizes the commissioner of insurance to recover costs of implementation and enforcement of any portion of the Louisiana Insurance Code pertaining to pharmacy benefit management.

New law is to be implemented to regulate a pharmacy benefit manager or health insurance issuer only to the extent permissible under applicable federal law.

Prior law allowed a PBM to audit pharmacy claims. New law retains prior law but limits the audit to claims filed within the 12 months prior to the start of the audit.

New law allows a pharmacy to submit a consolidated appeal to a PBM of substantially similar claims.

New law prohibits a PBM from using its formulary to obtain inducements, favor certain drugs over substantially similar drugs with a lower cost, charge more that the PBM's net acquisition cost of a drug, or ban the use of certain pharmacies by an insured.

New law provides for a 60-day continuity of care for an enrollee when a formulary is changed and removes a drug prescribed to an enrollee.

Existing law allows the division of administration to conduct a reverse auction to procure the services of a PBM to administer certain benefits provided by the Office of Group Benefits. New law retains existing law but makes recommendations for best practices.

New law relative to pharmacy record audits, appeals by pharmacies, PBM audits, penalties for violations of new law, and the extent of permitted regulation are effective June 12, 2026.

New law relative to definitions of key terms, PBM duties other than formulary requirements, and PBM contract requirements are effective January 1, 2027.

New law relative to reverse auctions, PBM formularies, and PBM compensation are effective January 1, 2028.

All other new law effective August 1, 2026.

(Amends R.S. 22:1856.1(B)(2)(a), 1863, 1865(A), and 1865(G)(intro para), R.S. 39:1600.1(A) and (D)(intro para), and (6), and R.S. 44:4.1(B)(11); adds R.S. 22:1867.1 and 1868.2; repeals R.S.22:1868.1 and Section 5 of Act 474 of the 2025 RS)