



**LEGISLATIVE FISCAL OFFICE  
Fiscal Note**

Fiscal Note On: **HB 595** HLS 22RS 403  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 12, 2022 7:26 AM	<b>Author:</b> TURNER
<b>Dept./Agy.:</b> Office of Group Benefits and Insurance	<b>Analyst:</b> Patrice Thomas
<b>Subject:</b> Notice of Spread Pricing by Pharmacy Benefit Managers	

INSURANCE/HEALTH OR NO IMPACT See Note Page 1 of 1  
 Modifies notice requirements relative to spread pricing and retainments of pharmacy benefit managers

Under present law, spread pricing is prohibited unless the pharmacy benefit manager provides biannual notice to policyholders of the aggregate amount of spread pricing charged by the Pharmacy Benefit Manager (PBM). Proposed law requires the notice to contain the following information: (1) the non-aggregate amount; (2) the policyholder's co-payment amount for a respective prescription; (3) the amount paid by the PBM to the pharmacy for the prescription; (4) the amount of payment received by the PBM as a kickback from the issuer of the plan associated with the prescription; and (5) any amount of funds shared between the PBM and the plan associated with the prescription. Proposed law requires the Office of Group Benefits (OGB) to issue notices to Medicare Advantage recipients and plan members. Proposed law effect July 1, 2023.

<b>EXPENDITURES</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>REVENUES</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The proposed law requires additional notice to policyholders regarding copayments and retainments through spread pricing by pharmacy benefit managers (PBMs). Also, the proposed law requires the Office of Group Benefits (OGB) to issue spread pricing notices to Medicare Advantage recipients and plan members. OGB reports their PBM contractor, Express Scripts Inc, does not engage in spread pricing. Therefore, there is no impact on OGB as a result of this measure.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate      Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Evan Brasseaux*  
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**Evan Brasseaux**  
 Interim Deputy Fiscal Officer