

2023 Regular Session

SENATE BILL NO. 171

BY SENATOR FRED MILLS

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

PHARMACEUTICALS. Creates the pharmacy benefit managers quality incentive program.  
(gov sig)

1 AN ACT

2 To amend and reenact R.S. 22:1657.2, relative to pharmacy benefit manager quality

3 incentive programs; to provide for a quality incentive program to be established by

4 licensed pharmacy benefit managers; to provide for legislative findings; to provide

5 for utilization of the expertise of the colleges of pharmacy; to provide for minimum

6 requirements of a program; to provide for reporting to the commissioner of

7 insurance; to provide for voluntary participation by pharmacies; to provide for

8 program parameters; to provide for definitions; to provide for an effective date; and

9 to provide for related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 22:1657.2 is hereby amended and reenacted to read as follows:

12 **§1657.2. Pharmacy benefit manager quality incentive program**

13 **A. The legislature finds and declares all of the following:**

14 **(1) Louisiana residents continue to face health challenges according to**

15 **the 2022 Louisiana Department of Health's Health Report Card which shows**

16 **that Louisiana ranks 42nd in the country for cardiovascular disease, 47th in**

17 **percentage of adults with obesity, 46th in percentage of adults with diabetes,**

1 49th in rate of low birthweight babies, 48th for sexually transmitted infections,  
2 43rd for substance use disorder, and nearly ten percent of Louisiana's adult  
3 population has asthma which results in costly emergency department visits.  
4 These chronic diseases and conditions put a strain on the overall wellness of  
5 Louisiana residents.

6 (2) The intent of the legislature is to improve the health outcomes of  
7 Louisiana residents and one way to address these challenges is a quality  
8 incentive program established by licensed pharmacy benefit managers with a  
9 focus on increasing patient awareness, expanding pharmacy education,  
10 medication adherence, and cost avoidance.

11 (3) In conjunction with health insurance plans, pharmacy benefit  
12 managers administer pharmacy benefit plans for Louisiana residents through  
13 a contracted network of pharmacies throughout the state of Louisiana.  
14 Pharmacy benefit managers support access to quality prescription drug  
15 coverage, which enables better health outcomes, secures savings, and promotes  
16 competition.

17 (4) Local pharmacists perform direct patient care activities such as  
18 counseling, medication management, condition monitoring, and preventative  
19 care screenings.

20 (5) There is an opportunity to improve the health outcomes of Louisiana  
21 residents served by pharmacy benefit managers and local pharmacies through  
22 strengthening the existing relationship between pharmacy benefit managers and  
23 local pharmacies with a focus on the best health outcomes for the patient. This  
24 can be achieved by creating an affordable future for prescription drugs by  
25 promoting pharmacy networks, full availability and use of electronic pharmacy  
26 benefit tools and offerings, patient-focused pharmacy care, and advance use of  
27 real-world evidence to protect patient safety.

28 (6) To meet these goals and achieve the desired results, the legislature  
29 must implement a Louisiana-specific quality incentive program that prioritizes

1 patient health and rewards pharmacists who participate.

2 B.(1) Each pharmacy benefit manager licensed by the commissioner  
3 shall develop a program to provide incentive payments to eligible independent  
4 network pharmacies for meeting benchmarks or complying with strategies  
5 aimed at improving the health of Louisiana residents covered by the pharmacy  
6 benefit manager. The quality incentive program should focus on the health  
7 concerns most affecting Louisiana residents and include but not be limited to  
8 encouraging the use of new technology and obtaining education on best  
9 practices.

10 (2) A pharmacy benefit manager may consult with the University of  
11 Louisiana at Monroe College of Pharmacy and the Xavier College of Pharmacy  
12 to design a quality incentive program, educate pharmacy students and  
13 pharmacists about the value of electronic pharmacy benefit tools, and provide  
14 for other educational components of the role of the pharmacist in patient health  
15 care.

16 (3) Incentive programs may be designed to reflect the unique needs of  
17 the state as designated by each of the nine Louisiana Department of Health  
18 regions.

19 (4) Each pharmacy benefit manager shall create a toolkit for  
20 participating independent network pharmacies that includes the option to  
21 display signage that the pharmacy is a quality incentive program participant.

22 C.(1) On or before October 1, 2023, and October 1 of each year  
23 thereafter, each pharmacy benefit manager shall report to the commissioner the  
24 details of its program including but not limited to the quality incentive criteria,  
25 how those criteria are anticipated to improve the quality of care for the  
26 individuals covered by the pharmacy benefit manager, how costs will be  
27 reduced, the eligibility criteria for participating independent network  
28 pharmacies, what efforts will be made to invite independent network  
29 pharmacies to participate, the number of pharmacies enrolled or planning to

1 enroll in its quality incentive program, and the aggregate amount of incentive  
2 payments expected to be made to the pharmacies participating in the quality  
3 incentive program.

4 (2) Each pharmacy benefit manager shall implement the quality  
5 incentive program as reported to the commissioner pursuant to Paragraph (1)  
6 of this Subsection on January 1 of the following year.

7 D. On or before April 1, 2025, and on or before April 1 of each year  
8 thereafter, each pharmacy benefit manager shall report to the commissioner the  
9 results of its quality incentive criteria from the previous calendar year. The  
10 report shall contain at a minimum an aggregate-level description of the impact  
11 of the program on the health of Louisiana residents, the actual cost savings, the  
12 number of pharmacies enrolled or planning to enroll in its quality incentive  
13 program, and the amount of incentive payments actually made to pharmacies  
14 participating in the quality incentive program. The pharmacy benefit manager  
15 shall not include any personally identifiable information or any details  
16 concerning the health or treatment of a particular individual.

17 E.(1) The pharmacy benefit manager quality incentive program shall be  
18 strictly voluntary and no independent network pharmacy shall be penalized for  
19 declining to participate. However, a participating pharmacy may be eligible to  
20 display a sign in the pharmacy to designate it as a quality incentive site.

21 (2) Implementation of the quality incentive program shall be considered  
22 a proactive plan design component aimed at improving health outcomes with  
23 the ultimate goal of reducing overall costs by creating a healthier population.  
24 Implementation of the quality incentive program shall not be cause to increase  
25 premiums to plan participants or shift the cost of the program to the plan  
26 sponsor, nor shall it be used to supplant regular review and analysis of  
27 appropriate acquisition and dispensing fee rates paid to all independent  
28 network pharmacies.

29 (3) Nothing provided for in this Section shall be construed to expand the

scope of practice of a participating pharmacist.

F. For the purposes of this Section, "independent network pharmacy" means a pharmacy operating within the state which meets all of the following criteria:

(1) Is a member of a pharmacy benefit manager's network.

(2) Is considered to be in good standing by the pharmacy benefit manager.

(3) Is under common ownership with not more than two other pharmacies.

Section 2. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Brandi Cannon.

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## DIGEST

SB 171 Engrossed

2023 Regular Session

Fred Mills

Present law provides for the licensing of pharmacy benefit managers (PBM) by the commissioner of insurance. Proposed law retains present law and requires each PBM licensed by the commissioner to develop a program to provide incentive payments to eligible independent network pharmacies for meeting benchmarks or complying with strategies aimed at improving the health of Louisiana residents covered by the pharmacy benefit manager.

Proposed law provides that the quality incentive program should focus on the health concerns most affecting Louisiana residents, may be designed in consultation with the Louisiana colleges of pharmacy, and may reflect the unique needs of the state as designated by each of the nine La. Dept. of Health regions.

Proposed law provides, that on or before October 1 of each year, a PBM shall report to the commissioner the details of its program and provides for the minimum content of the report. Proposed law further provides that the program shall be implemented on the following January 1.

Proposed law provides, that on or before April 1 of the following year, a PBM shall report to the commissioner the results of its quality incentive criteria from the previous calendar year. Proposed law further provides for the minimum content of the report.

Proposed law provides that the PBM quality incentive program shall be strictly voluntary and no independent network pharmacy shall be penalized for declining to participate.

Proposed law provides for additional parameters of the PBM quality incentive program.

Proposed law shall not be construed to expand the scope of practice of a participating pharmacist.

Proposed law defines "independent network pharmacy" as a pharmacy operating within the state which is a member of a pharmacy benefit manager's network, is considered to be in good standing by the pharmacy benefit manager, and is under common ownership with not more than two other pharmacies.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 22:1657.2)