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

SB 171 Reengrossed

DIGEST
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 in consultation with a plan sponsor 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 first 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 first.

Proposed law provides, that on or before April first 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, including the use of education and training programs.

Present law exempts Medicaid managed care organizations from certain provisions of Title 22. Proposed law retains present law and provides that Medicaid managed care organization PBMs are exempt from proposed law. Proposed law requires exempt PBMs to submit a notice of exemption to the commissioner of insurance and provides that the PBM shall no longer be exempt if they render services to Louisiana residents who are not enrolled in the Medicaid 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)

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

1. Clarify that the PBM will develop the quality incentive program with the plan sponsor.
2. Add an educational and training component option to the quality incentive program.
3. Require financial options to achieve desired outcomes be presented to the plan sponsor and clarify that the PBM shall continue regular review of existing relationships with independent network pharmacies.
4. Clarify that Medicaid manage care organization PBMs are exempt from proposed law unless they provide services to Louisiana residents who are not enrolled in the Medicaid program.
5. Make technical changes.