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 DIGEST
 

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SB 171 Reengrossed

2023 Regular Session

Fred Mills

Present law provides for the licensing of pharmacy benefit managers (PBMs) by the commissioner of insurance (commissioner). 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 state residents covered by the PBM.

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

Proposed law requires a PBM, on or before October first of each year, to submit a report to the commissioner detailing its program. Proposed law provides for the minimum content of the report and requires the program to be implemented on the following January first.

Proposed law requires a PBM, on or before April first of the following year, to 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 is strictly voluntary and further prohibits independent network pharmacies from being 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 the La. Insurance Code. Proposed law retains present law and provides that PBMs of Medicaid managed care organizations are exempt from proposed law. Further requires exempt PBMs to submit a notice of exemption to the commissioner and provides that the PBM is no longer exempt if it renders services to residents of La. who are not enrolled in the Medicaid program.

Proposed law does not 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 PBM's network, is considered to be in good standing by the PBM, 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 managed 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.

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the reengrossed bill:

1. Make technical changes.