

2023 Regular Session

HOUSE CONCURRENT RESOLUTION NO. 106

BY REPRESENTATIVES EDMONDS AND GAROFALO

A CONCURRENT RESOLUTION

To direct the Office of Group Benefits to request certain information from current and former contractors of pharmacy benefit manager services, to include certain provisions in future contracts for pharmacy benefit manager services, and to report to the Joint Legislative Committee on the Budget no later than November 1, 2023.

WHEREAS, the Legislature of Louisiana is committed to using transparency and accountability to reduce the cost of healthcare for Louisianians, and that expectation extends to entities that conduct business with the state of Louisiana; and

WHEREAS, the Office of Group Benefits is the agency within the executive branch of state government tasked with the general administration of all aspects of certain programs of benefits, including health and pharmacy benefits; and

WHEREAS, the Office of Group Benefits has the power and duty to procure and negotiate pharmacy benefit manager contracts for the administration or management of prescription drug benefits on the behalf of state employees, dependants, and retirees; and

WHEREAS, pharmacy benefit managers are entities that create pharmacy networks, process claims, review drug utilization, manage mail-order or specialty pharmacies, create formularies, and negotiate rebates with manufacturers; and

WHEREAS, the Legislature of Louisiana is invested in increased transparency and accountability in pharmacy benefit manager contracts in order to reduce costs charged for prescription drugs used by state employees, dependants, and retirees.

THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby direct the Office of Group Benefits to request the following information from current and former contractors of pharmacy benefit manager services: (1) a list of all terms used by the contractor in the ordinary course of business that describe or categorize any payments to and from any related entity, including but not limited to terms labeling or describing elements of the contractor's reimbursements, effective rate contracts, dispensing fees, claim fees, pharmacy network participation fees, all forms of performance fees and components and

methods used in the calculation of such fees, fees for research, tracking and information services, and all other related terms; (2) detailed information for each step, variable, and calculation used to determine the amount of money or other consideration paid to the contractor, received by the contractor, retained by the contractor, or otherwise obtained by the contractor from relevant entities; (3) the contractor's policies and criteria for defining or designating drugs as specialty drugs and all documents relating to such policies and criteria, including but not limited to the frequency and circumstances related to any changes to the policies or criteria; and (4) the contractor's policies for requiring or incentivizing patients to utilize specialty or mail-order pharmacy services owned or affiliated with the contractor, including but not limited to co-pay differentials, availability of ninety day refills, shipping charge differentials, pricing differentials, express shipping availability, simplified ordering, patient communications or reminder policies, or other service or any financial or non-financial incentives.

BE IT FURTHER RESOLVED, that the Legislature of Louisiana does hereby direct the Office of Group Benefits to include provisions that prohibit pharmacy benefit managers from the use of spread pricing and financial clawbacks and provisions that require data reporting measures including but not limited to data regarding rebates and payments from drug manufacturers, insurers, and pharmacies in all future contracts for pharmacy benefit manager services.

BE IT FURTHER RESOLVED, the information requested by this concurrent resolution may only be collected, shared, or disclosed in accordance with federal and state laws, including any relevant privacy laws related to proprietary or confidential information.

BE IT FURTHER RESOLVED, the Office of Group Benefits shall report to the Joint Legislative Committee on the Budget no later than November 1, 2023.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE