

2024 Regular Session

SENATE BILL NO. 281

BY SENATOR EDMONDS

PHARMACISTS. Provides for pharmacy record audits. (8/1/24)

1 AN ACT

2 To amend and reenact R.S. 22:1852(7) and the introductory paragraph of 1856.1(B),
3 1856.1(B)(2)(b) and (G) and to enact R.S. 22:1856.1(H), relative to pharmacy record
4 audits; to provide for definitions; to provide for audits and reviews of pharmacy
5 records; to provide for notification to the Department of Insurance; to provide for
6 enforcement action; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 22:1852(7) and the introductory paragraph of 1856.1(B),
9 1856.1(B)(2)(b) and (G) are hereby amended and reenacted and R.S. 22:1856.1(H) is hereby
10 enacted to read as follows:

11 §1852. Definitions

12 As used in this Subpart, the following terms shall be defined as follows:

13 * * *

14 (7) "Health insurance issuer" means an insurance company, including a health
15 maintenance organization as defined and licensed pursuant to Subpart I of Part I of
16 Chapter 2 of this Title, unless preempted as an employee benefit plan under the
17 Employee Retirement Income Security Act of 1974. For purposes of this Subpart, a

1 "health insurance issuer" shall include the Office of Group Benefits, **a pharmacy**
 2 **benefit manager, and any person acting on behalf of a pharmacy benefit**
 3 **manager.**

4 * * *

5 §1856.1. Pharmacy record audits; recoupment; appeals

6 * * *

7 B. Notwithstanding any other provision of law to the contrary, when an audit
 8 **or other review** of the records of a pharmacy is conducted by an entity, ~~the audit it~~
 9 shall be conducted in accordance with the following criteria:

10 * * *

11 (2)

12 * * *

13 (b) Nothing in this Paragraph shall prohibit review of a claim filed by a
 14 pharmacy to determine if the claim is payable or is paid correctly. ~~Such~~ **The** review
 15 ~~may require the submission of prescription copies and other documentation related~~
 16 ~~to the specific claims under review but~~ shall not require the pharmacy to provide any
 17 additional information ~~not related to those specific claims.~~

18 * * *

19 G. This Section shall not apply to:

20 (1) ~~Any quality assurance review, as defined by the time period prior to the~~
 21 ~~reimbursement by the entity to the pharmacy.~~

22 (2) ~~An~~ **any** investigation that is initiated **in accordance with rules adopted**
 23 **by the commissioner** based on or that involves suspected or alleged fraud, willful
 24 misrepresentation, or abuse.

25 **H. The commissioner shall promulgate rules that set forth standards for**
 26 **policies and procedures governing the performance of pharmacy record audits**
 27 **and shall include standards for each of the following:**

28 **(1) Claims reviews and quality assurance reviews.**

29 **(2) Fraud or willful misrepresentation audits.**

The original instrument was prepared by Amanda Trapp. The following digest, which does not constitute a part of the legislative instrument, was prepared by Beth O'Quin.

DIGEST

SB 281 Reengrossed 2024 Regular Session Edmonds

Present law provides for definitions regarding pharmacies and pharmacist claims.

Proposed law makes changes to the definition of "health insurance issuer".

Present law provides criteria for entities conducting audits of pharmacy records.

Proposed law expands the criteria to apply to other reviews of records and makes changes to audit procedures.

Present law provides for exemptions from the audit criteria.

Proposed law requires investigations for pharmacy record audits be initiated in accordance with rules adopted by the commissioner.

Proposed law removes the exemption for investigations involving suspected or alleged fraud, willful misrepresentation, or abuse and requires entities to report those investigations to the Dept. of Insurance and removes the authorization of the commissioner to take enforcement action for violations of present law and proposed law.

Proposed law requires the commissioner to promulgate rules that sets forth standards for policies and procedures governing the performance of pharmacy record audits that includes standards for each of the following:

- (1) Claim reviews and quality assurance reviews.
- (2) Fraud or willful misrepresentation of audits.

Effective August 1, 2024.

(Amends R.S. 22:1852(7) and 1856.1(B)(intro para) and (B)(2)(b) and (G); adds R.S. 22:1856.1(H))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Insurance to the original bill

1. Makes technical changes.
2. Changes the definition of a health insurance issuer.

Senate Floor Amendments to engrossed bill

1. Requires the commissioner to promulgate rules for pharmacy audit records that meet certain standards.
2. Removes proposed law provisions that authorized the commissioner to take enforcement action.