
 DIGEST

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SB 401 Reengrossed

2026 Regular Session

Talbot

Proposed law defines "board", "department", "enrollee", "manufacturer", "prescription drug", "rebate", "research and development expenditures", and "wholesale acquisition cost".

Proposed law establishes the Prescription Drug Affordability Board (board) within the Dept. of Insurance, consisting of the following members:

- (1) The commissioner of insurance, or his designee.
- (2) The secretary of the La. Dept. of Health, or his designee.
- (3) The president of the La. Board of Pharmacy, or his designee.
- (4) Two public members appointed by the governor.
- (5) Two public members appointed by the president of the Senate.
- (6) Two public members appointed by the speaker of the House of Representatives.
- (7) One member representing a patient advocacy group appointed by the commissioner of insurance.

Proposed law requires the public members to have a significant health care or pharmacy background and provides that each shall serve for a term of five years.

Proposed law prohibits conflicts of interest by board members. Further provides that actual or potential conflicts of interest be disclosed prior to appointment to the board.

Proposed law requires the board to develop a list of critical prescription drugs made available in La., for which there is a substantial public interest in understanding the development of pricing for the drugs. Provides that generic or biosimilar drugs be placed on the list in certain circumstances.

Proposed law requires the manufacturer of each prescription drug that the board places on the critical prescription drug list to report the following information to the board:

- (1) Total cost of production and approximate cost of production per dose.
- (2) Research and development costs of the drug.
- (3) Marketing and advertising costs for the drug, apportioned by marketing activities that are directed to consumers, marketing activities that are directed to prescribers, and the total cost of all marketing and advertising that is directed primarily to La. consumers and prescribers.
- (4) The prices for the drug that are charged to purchasers outside the U.S., by country, for a representative set of countries determined by the committee.
- (5) Prices charged to typical La. purchasers.

Proposed law establishes a price increase threshold for reporting by generic and biosimilar manufacturers.

Proposed law provides that failure of a manufacturer to provide the required information is a prohibited practice under the Unfair Trade Practices and Consumer Protection Law.

Proposed law provides for disclosure of proprietary or confidential information to the commissioner of insurance. Further provides that proprietary or confidential information is exempt from public records laws.

Proposed law requires information reported to the board to be kept confidential and prohibits the disclosure of the information as a public record. Further requires any public reporting of information to be aggregated to protect the financial, competitive, or proprietary nature of the information.

Proposed law requires the board to prepare an annual report on prescription drug prices and their role in overall healthcare spending in the state based on the data submitted to the board. Further requires the board to include in the report a list of those prescription drugs that have a cost in La. that is excessively high when compared with the cost of the drug in other states and countries and when compared with the overall cost of researching, developing, and producing the drug in light of the number of years the drug has been made available for distribution.

Effective August 1, 2026.

(Amends R.S. 44:4.1(B)(11); Adds R.S. 22:1870.10-1870.20; Repeals R.S. 22:1870(B)(5))

Summary of Amendments Adopted by Senate

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

1. Requires notification when the wholesale acquisition cost of a name brand drug increases by more than the CPI during any 12-month period.
2. Requires notification when the wholesale acquisition cost of a generic drug increases by more than \$100, or by \$200 total, in any 12-month period.
3. Requires an explanation for the increase in price, including specified information about factors that make up the price.
4. Requires the reported information be made publicly available.
5. Requires an annual report.
6. Sunsets the board on June 30, 2028.
7. Repeals present law requiring notice of a more than 15% increase in the cost of a brand name drug.
8. Makes proposed law effective when SB 387 is enacted.
9. Makes technical changes.

Senate Floor Amendments to engrossed bill

1. Changes price increase reporting thresholds for generic and biosimilar drugs.
2. Allows manufacturers to submit proprietary or sensitive information to the commissioner of insurance to review.
3. Exempts from public disclosure proprietary or sensitive information submitted to the commissioner.

4. Adds definitions for research and development expenditures and wholesale acquisition cost.
5. Adds a member to the board.
6. Prohibits members of the board from having conflicts of interest and requires disclosure of potential or actual conflicts of interest prior to appointment to the board.
7. Makes technical changes.

Summary of Amendments Adopted by House

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

1. Define certain terms.
2. Provide that brand name drugs, certain biologic, and certain biological products are not considered for placement on the prescription drug list.
3. Add provisions for manufacturer reporting which provides for manufacturer reporting requirements, manufacturer's obligation, and exemption from public inspection.
4. Add provisions for confidentiality which provides that all information and data obtained by the department pursuant to proposed law, that is not otherwise publicly available is considered to be a trade secret and confidential and proprietary information and such information is not subject to disclosure pursuant to the Public Records Law.
5. Prohibit the publishing or disclosing of certain manufacturer information pursuant to proposed law.
6. Authorize the department, board, and interested parties to impose confidentiality protections of proposed law on any third party.
7. Remove provision of proposed law, which provide for the disclosure of prescription drug price information.
8. Make technical changes.