GREEN SHEET REDIGEST

HB 870 **2026 Regular Session** **Turner**

INSURANCE/HEALTH: Provides relative to formulary placement and cost-sharing requirements for certain generic drugs and biosimilars.

DIGEST

Proposed law defines "biosimilar", "brand drug", "formulary", "generic drug", "net cost calculation", "reference listed drug", "reference product", and "wholesale acquisition cost".

Proposed law mandates that health insurance issuers providing coverage for a reference listed drug must immediately include a newly marketed generic drug on the plan formulary with more favorable cost-sharing arrangements, provided that the wholesale acquisition cost of the generic drug is lower than that of the reference listed drug at the time of the generic drug's initial marketing date.

Proposed law prohibits prior authorization, step therapy, or any other restrictions that would make accessing the generic drug more challenging than accessing the reference listed drug.

Proposed law prohibits placing any limitations on the pharmacies through which an enrollee can obtain the generic drug.

Proposed law continues to apply as long as the wholesale acquisition cost of the generic drug remains lower than that of the reference listed drug.

Proposed law further requires health insurance issuers providing coverage for a reference product to immediately include at least one biosimilar on the formulary with more favorable cost-sharing when the biosimilar's wholesale acquisition cost is lower than that of the reference product at its initial marketing date. Similar to the provisions for generics, proposed law prohibits prior authorization, step therapy, or limitations that hinder access to the biosimilar compared to the reference product, along with prohibiting restrictions on the pharmacies that can dispense the biosimilar. Proposed law continues to apply as long as the biosimilar's wholesale acquisition cost remains lower than that of the reference product.

Proposed law requires a notice to the commissioner of insurance if a health insurance issuer uses a net cost calculation for a branded prescription drug in prescription drug formulary in lieu of placing a generic or biosimilar on the drug formulary. Further provides for what must be placed in the required notice.

Effective August 1, 2026.

(Adds R.S. 22:1060.9)

Summary of Amendments Adopted by House

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

1. Revise and implement a set of technical definitions for the following terms: "Biosimilar", "Brand drug", "Formulary", "Generic drug", "Reference listed drug", "Reference product", and "Wholesale acquisition cost".

The House Floor Amendments to the engrossed bill:

1. Clarify that insurers may not impose utilization management requirements on qualifying generic drugs that are more restrictive than those applied to the reference listed drug.

2. Clarify that insurers may not impose utilization management requirements on qualifying biosimilars that are more restrictive than those applied to the reference product.

3. Make technical changes.

Summary of Amendments Adopted by Senate

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

1. Define "net cost calculation".

2. Require notice if a health insurance issuer uses net cost calculation for a branded prescription drug in a drug formulary in lieu of placing a generic or biosimilar on the drug formulary.

3. Provide for the content of the required notice.

4. Make technical changes.