DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Anders   HB No. 393

Abstract: Provides relative to prescription drug benefits of managed care organizations participating in the La. Medicaid coordinated care network program.

Proposed law defines "prepaid coordinated care network" as a private entity that contracts with the department to provide Medicaid benefits and services to enrollees of the Medicaid coordinated care program known as "Bayou Health" in exchange for a monthly prepaid capitated amount per member.

Proposed law requires each prepaid coordinated care network to form a pharmaceutical and therapeutics committee which shall develop a drug formulary and preferred drug list for the prepaid coordinated care network. Provides that such committees shall:

(1)   Meet no less frequently than semiannually in Baton Rouge.

(2)   Make such meetings open to the public.

(3)   Allow for public comment at such meetings prior to voting by the committee on any change in the preferred drug list or formulary.

Proposed law requires, beginning Jan. 1, 2014, that all managed care organizations participating in the La. Medicaid program utilize a two-page prior authorization form to be issued by DHH. Requires DHH to promulgate rules and regulations that establish the form, and authorizes DHH to consult with the managed care organizations as necessary in development of the form.

Proposed law requires that each managed care organization which utilizes step therapy or fail first protocols comply with the provisions of proposed law.

Proposed law provides that when medications are restricted for use by a managed care organization by a step therapy or fail first protocol, the prescribing physician shall be provided with and have access to a clear and convenient process to expeditiously request an override of such restriction from the managed care organization. Requires the managed care organization to expeditiously grant an override of such restriction under any of the following circumstances:

(1)   The prescribing physician can demonstrate to the managed care organization, based on sound clinical evidence, that the preferred treatment required under step therapy or fail first protocol has been ineffective in the treatment of the Medicaid enrollee's disease or

medical condition.

(2)   The prescribing physician can demonstrate to the managed care organization, based on sound clinical evidence, that the preferred treatment required under the step therapy or fail first protocol is reasonably expected to be ineffective based on the known relevant physical or mental characteristics and medical history of the Medicaid enrollee and known characteristics of the drug regimen.

(3)   The prescribing physician can demonstrate to the managed care organization, based on sound clinical evidence, that the preferred treatment required under the step therapy or fail first protocol will cause or will likely cause an adverse reaction or other physical harm to the Medicaid enrollee.

Proposed law provides that the duration of any step therapy or fail first protocol shall not be longer in duration than the customary period for the medication when such treatment is demonstrated by the prescribing physician to be clinically ineffective. Provides that when the managed care organization can demonstrate, through sound clinical evidence, that the originally prescribed medication is likely to require more than the customary period for such medication to provide any relief or an amelioration to the Medicaid enrollee, the step therapy or fail first protocol may be extended for an additional period of time no longer than the original customary period for the medication.

Proposed law provides that provisions of proposed law shall not apply to any entity that contracts with DHH to provide fiscal intermediary services in processing claims of health care providers.

Effective Jan. 1, 2014.

(Adds R.S. 46:460.31-460.35)

Summary of Amendments Adopted by House

    Committee Amendments Proposed by House Committee on Health and Welfare to the original bill.

    1.   Deleted provisions creating and specifying functions of a Medicaid Managed Care Pharmaceutical and Therapeutics Committee.

    2.   Deleted requirement that all managed care organizations provide as a pharmacy benefit the minimum drug pharmacopoeia in conjunction with a prior approval process developed and maintained by the Medicaid Managed Care Pharmaceutical and Therapeutics Committee.

    3.   Added "prepaid coordinated care network" as a defined term, defining such term as a private entity that contracts with the department to provide Medicaid benefits and services to enrollees of the Medicaid coordinated care program known as "Bayou

Health" in exchange for a monthly prepaid capitated amount per member.

4.   Added provisions requiring each prepaid coordinated care network to form a pharmaceutical and therapeutics committee which shall develop a drug formulary and preferred drug list for the prepaid coordinated care network. Provided that such committees are subject to the following requirements:

      (a)   Meet no less frequently than semiannually in Baton Rouge.

      (b)   Make such meetings open to the public.

      (c)   Allow for public comment at such meetings prior to voting by the committee on any change in the preferred drug list or formulary.

5.   Changed prescribed page length for the prior authorization form provided for in proposed law from one page to two pages.

6.   Added an exemption from provisions of proposed law for any entity that contracts with DHH to provide fiscal intermediary services in processing claims of health care providers.

7.   Changed effective date of proposed law from date of signature by the governor or lapse of time for gubernatorial action to Jan. 1, 2014.

8.   Made technical changes.