Regular Session, 2014

HOUSE BILL NO. 1180

BY REPRESENTATIVE HOFFMANN

MEDICAID: Provides for a feasibility study concerning a pharmaceutical and therapeutics committee for Medicaid managed care

AN ACT

To amend and reenact R.S. 46:460.32 and to enact R.S. 46:460.36, relative to the Medicaid managed care pharmacy program; provides for a special committee to study feasibility of establishing a pharmaceutical and therapeutics committee for Medicaid managed care organizations; to provide conditions and premises for the feasibility study; to provide for reporting to certain legislative committees; to provide for termination of laws relative to the feasibility study committee and to certain pharmaceutical and therapeutics committees; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 46:460.32 is hereby amended and reenacted and R.S. 46:460.36 is hereby enacted to read as follows:

§460.32. Prepaid coordinated care networks; pharmaceutical and therapeutics committees; termination

A. On or before January 1, 2014, each prepaid coordinated care network shall form a body to be designated as a "Pharmaceutical and Therapeutics Committee" which shall develop a drug formulary and preferred drug list for the prepaid coordinated care network. Each Pharmaceutical and Therapeutics Committee created pursuant to the provisions of this Section shall meet no less frequently than semiannually in Baton Rouge, Louisiana. Such meetings shall be

open to the public and shall allow for public comment prior to voting by the committee on any change in the preferred drug list or formulary.

B. The provisions of Subsection A of this Section shall terminate and become null and void on and after the date on which the department establishes a single pharmaceutical and therapeutics committee to serve all Medicaid managed care organizations uniformly through adoption of rules duly promulgated in accordance with the Administrative Procedure Act.

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§460.36. Medicaid managed care pharmaceutical and therapeutics committee; feasibility study; termination

A. On or before October 1, 2014, the department shall convene a special committee to study the feasibility of establishing a single pharmaceutical and therapeutics committee to serve Medicaid managed care organizations uniformly. The study committee shall operate in accordance with the provisions of this Section.

B.(1) The study committee shall be composed of the following members:

(a) The secretary of the department.

(b) One person who is a member of the Medicaid Pharmaceutical and Therapeutics Committee provided for in R.S. 46:153.3.

(c) Persons representing each managed care organization contracted to provide primary care case management services to Medicaid recipients, in the number of one member per managed care organization.

(d) One practicing physician who is participating in the Medicaid program as a family practitioner recommended by the Louisiana Academy of Family Physicians.

(e) One practicing physician who is participating in the Medicaid program and has expertise in pharmacology recommended by the Louisiana State Medical Society.

(f) One practicing physician who is participating in the Medicaid program as a pediatrician recommended by the Louisiana chapter of the American Academy of Pediatrics.

(g) One practicing physician who is participating in the Medicaid program as an obstetrician and gynecologist recommended by the Louisiana Chapter of the American College of Obstetricians and Gynecologists.

(h) One practicing physician who is participating in the Medicaid program as a psychiatrist recommended by the Louisiana Psychiatric Medical Association.

(i) Two practicing pharmacists who are participating in the Medicaid pharmacy program recommended by the Louisiana Pharmacy Association. One pharmacist shall be an independent pharmacist, and one pharmacist shall be a pharmacist representing a chain pharmacy.

(2) The secretary of the department shall serve as chairman of the committee.

C. With respect to the functions of a prospective Medicaid managed care pharmaceutical and therapeutics committee, the premises of the feasibility study shall include the following:

(1) That the prospective pharmaceutical and therapeutics committee shall serve Medicaid managed care organizations uniformly so that these organizations may coordinate care for Medicaid enrollees throughout this state in a reliable, equitable, and cost-effective manner.

(2) That the process for a prescriber to obtain a prior authorization for a prescription drug from the prospective pharmaceutical and therapeutics committee shall be conducted with an appropriate degree of administrative simplicity for the purpose of reducing unnecessary wait times and denials pursuant to prescription of medications for Medicaid enrollees.

(3) That the prospective pharmaceutical and therapeutics committee shall meet only in public and shall permit public comment prior to voting on any changes in any preferred drug list it develops.

(4) That the pharmacopoeia developed by the prospective pharmaceutical and therapeutics committee shall comply with all applicable state and federal laws, rules, and regulations; and, further, that the committee shall have the following authorizations and duties relative to the pharmacopoeia:

(a) The committee may recommend additions and deletions to the pharmacopoeia, and the pharmacopoeia may change in accordance with those recommendations.

(b) The committee shall advise the secretary of the department concerning policy recommendations related to the prudent administration of a Medicaid managed care drug program.

(c) The committee shall make clinical decisions regarding the preferred drug list transparent through a written report that is publicly available. If a decision of the committee is contrary to clinical evidence found in labeling, drug compendia, or peer reviewed literature, such decisions shall be justified in writing.

(5) That the prospective pharmaceutical and therapeutics committee may establish a drug list to be utilized by all managed care organizations that utilize a prior approval process or any other process or combination of processes that prove to be cost-effective in the medical assistance program. At minimum, any prior approval process that the committee may establish shall meet all of the following criteria:

(a) Provide for a response by telephone or other form of telecommunication device within a maximum of twenty-four hours of a request for prior authorization.

(b) Provide for the dispensing of a minimum of a seventy-two hour supply of a covered outpatient prescription drug in an emergency situation as provided by federal rule or regulation.

(c) Comply with all applicable federal laws, rules, and regulations.

(d) Involve medical personnel, including but not limited to pharmacists, pharmacy technicians, nurses, and physicians.

(e) Assure that a qualified, licensed physician is available for consultation during the prior approval process.

(6) That the prospective pharmaceutical and therapeutics committee will add any drug approved by the United States Food and Drug Administration to the formulary as soon as it becomes commercially available, and that the committee will conduct an evidence-based analysis of each such drug to determine if it will be maintained on the formulary.

D. The special study committee shall consider the premises set forth in Subsection C of this Section, and shall determine the means by which a single pharmaceutical and therapeutics committee to serve Medicaid managed care organizations may be implemented in a manner that minimizes cost.

E. No later than thirty days prior to the convening of the 2015 Regular Session of the Legislature of Louisiana, the chairman of the special study committee shall submit a written report of findings from the feasibility study provided for herein to the House Committee on Health and Welfare, the Senate Committee on Health and Welfare, and the Joint Legislative Committee on the Budget.

F. The provisions of this Section shall terminate on June 30, 2015.

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)]

Hoffmann HB No. 1180

Abstract: Provides for a feasibility study concerning potential establishment of a single pharmaceutical and therapeutics committee to serve Medicaid managed care organizations uniformly.

Present law relative to the Medicaid managed care pharmacy program provides for the following definitions:

(1) "Managed care organization" shall have the same meaning as provided for that term in federal regulations (42 CFR 438.2) and also means any entity providing primary care case management services to Medicaid recipients pursuant to a contract with the Dept. of Health and Hospitals (DHH).

(2) "Prepaid coordinated care network" means a private entity that contracts with DHH 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.

Present law provides that on or before Jan. 1, 2014, each prepaid coordinated care network shall form a body to be designated as a "Pharmaceutical and Therapeutics Committee" which shall develop a drug formulary and preferred drug list for the network. Proposed law provides that present law relative to Pharmaceutical and Therapeutics Committees of prepaid coordinated care networks shall terminate on the date on which the department establishes a single pharmaceutical and therapeutics committee to serve all Medicaid managed care organizations uniformly.

Proposed law provides that on or before Oct. 1, 2014, DHH shall convene a special committee to study the feasibility of establishing a single pharmaceutical and therapeutics committee (hereafter "P&T committee") to serve Medicaid managed care organizations uniformly. Provides that the study committee shall be composed of the following members:

(1) The secretary of DHH.

(2) One person who is a member of the Medicaid Pharmaceutical and Therapeutics Committee provided for in present law, R.S. 46:153.3.

(3) Persons representing each managed care organization contracted to provide primary care case management services to Medicaid recipients, in the number of one member per managed care organization.

(4) One practicing physician who is participating in the Medicaid program as a family practitioner recommended by the La. Academy of Family Physicians.

(5) One practicing physician who is participating in the Medicaid program and has expertise in pharmacology recommended by the La. State Medical Society.

(6) One practicing physician who is participating in the Medicaid program as a pediatrician recommended by the La. Chapter of the American Academy of Pediatrics.

(7) One practicing physician who is participating in the Medicaid program as an obstetrician and gynecologist recommended by the La. chapter of the American College of Obstetricians and Gynecologists.

(8) One practicing physician who is participating in the Medicaid program as a psychiatrist recommended by the La. Psychiatric Medical Association.

(9) Two practicing pharmacists who are participating in the Medicaid pharmacy program recommended by the La. Pharmacy Association. One pharmacist shall be an independent pharmacist, and one pharmacist shall be a pharmacist representing a chain pharmacy.

Proposed law provides that the secretary of DHH shall serve as chairman of the feasibility study committee.

With respect to the functions of a prospective Medicaid managed care P&T committee, proposed law provides that the premises of the feasibility study shall include the following:

(1) That the prospective P&T committee shall serve Medicaid managed care organizations uniformly so that these organizations may coordinate care for Medicaid enrollees throughout this state in a reliable, equitable, and cost-effective manner.

(2) That the process for a prescriber to obtain a prior authorization for a prescription drug from the prospective P&T committee shall be conducted with an appropriate degree of administrative simplicity for the purpose of reducing unnecessary wait times and denials pursuant to prescription of medications for Medicaid enrollees.

(3) That the prospective P&T committee shall meet only in public and shall permit public comment prior to voting on any changes in any preferred drug list it develops.

(4) That the prospective P&T committee may establish a drug list to be utilized by all managed care organizations that utilize a prior approval process or any other process or combination of processes that prove to be cost-effective. At minimum, any prior approval process that the P&T committee may establish shall meet all of the following criteria:

(a) Provide for a response by telephone or other form of telecommunication device within a maximum of 24 hours of a request for prior authorization.

(b) Provide for the dispensing of a minimum of a 72 hour supply of a covered outpatient prescription drug in an emergency situation as provided by federal rule or regulation.

(c) Comply with all applicable federal laws, rules, and regulations.

(d) Involve medical personnel, including but not limited to pharmacists, pharmacy technicians, nurses, and physicians.

(e) Assure that a qualified, licensed physician is available for consultation during the prior approval process.

Proposed law provides that the special feasibility study committee shall consider the premises set forth in proposed law, and shall determine the means by which a single P&T committee to serve Medicaid managed care organizations may be implemented in a manner that minimizes cost.

Proposed law requires the chairman of the special feasibility study committee to submit a written report of findings from the study to the legislative committees on health and welfare and the Joint Legislative Committee on the Budget no later than 30 days prior to the convening of the 2015 R.S.

Proposed law terminates on June 30, 2015.

(Amends R.S 46:460.32; Adds R.S 46:460.36)