

SENATE SUMMARY OF HOUSE AMENDMENTS

SB 645 By Senator Ward

KEYWORD AND SUMMARY AS RETURNED TO THE SENATE

HEALTH/ACC INSURANCE. Provides for certain disclosures by certain health maintenance organization and for reimbursement rates for generic drugs. (8/1/14)

SUMMARY OF HOUSE AMENDMENTS TO THE SENATE BILL

1. Adds requirements when an HMO terminates a contract with a home health service provider.
2. Adds requirements for the reimbursement rate for the use of generic drugs.

DIGEST OF THE SENATE BILL AS RETURNED TO THE SENATE

Ward (SB 645)

Present law requires every health maintenance organization (HMO) to make available in writing to its potential enrollees a reasonable explanation of the services to be provided or arranged for. Also requires identification of those services excluded from coverage as well as the methods of access to all forms of treatment or class of providers included in the plan.

Proposed law retains present law and also requires disclosure of a listing, either in writing or by reference to a website, of all health care providers with whom the HMO has a contract at the time of potential enrollment.

Proposed law requires a HMO to update the information in the listing or on its website only once per month to be considered timely.

Proposed law requires every HMO to comply with all of the following items:

- (a) If the HMO terminates a contract with a home health service provider with whom there was a contract at the time of enrollment by the enrollee, then the HMO is to provide written notification to the enrollee by certified mail within 15 days of the contract termination.
- (b) Provide written notification by certified mail to the enrollee of the enrollee's option to withdraw immediately and without penalty from any plan or service with the HMO.
- (c) Reimburse the terminated home health service provider for any services rendered to the enrollee through the actual date of termination or through the end of any patient episode which began prior to termination, whichever occurs last.

Proposed law requires that an enrollee who exercises his option to withdraw from the HMO under proposed law be given an opportunity to seek enrollment in the plan or services of any other HMO, except as may otherwise be provided by federal or state law.

Proposed law requires that a pharmacy benefit manager provide a contractual commitment to deliver a particular average reimbursement rate for generic drugs. Requires that the average reimbursement rate for generic drugs be calculated using the actual amount paid to the pharmacy, excluding the dispensing fee; not be calculated solely according to the amount allowed by the plan; shall include all generic drugs dispensed regardless of Maximum Allowable Cost List pricing. Provides that the "generic effective rate" means a maximum average discount on multi-source generic drugs.

Effective August 1, 2014.

(Amends R.S. 22:260(C); adds R.S. 22:1865)

Thomas L. Tyler
Deputy Chief of Staff