
SENATE FLOOR AMENDMENTS

2015 Regular Session

Amendments proposed by Senator Mills to Reengrossed House Bill No. 436 by Representative Robert Johnson

1 AMENDMENT NO. 1

2 On page 1, line 2, after "22:1860.1" insert "and R.S. 46:460.36"

3 AMENDMENT NO. 2

4 On page 1, line 7, after "sanctions;" insert "to provide for definitions; to provide for managed
5 care organizations' pharmacy reimbursement; to require a dispute resolution process; to
6 provide for the provision of implementation costs;"

7 AMENDMENT NO. 3

8 On page 2, line 3, after "reenacted" insert "and R.S. 46:460.36 is hereby enacted"

9 AMENDMENT NO. 4

10 On page 2, between lines 3 and 4, insert:

11 "§460.36. Pharmacy reimbursement by managed care organizations

12 A. Words and terms used in this Section shall have the following meanings:

13 (1) "Department" means the Department of Health and Hospitals.

14 (2) "Legacy Medicaid rate" means the lesser of one of the following:

15 (a) The published Medicaid fee-for-service reimbursement rate for the
16 combination of the ingredient cost and dispensing fee in use for the current approved
17 Medicaid state plan in effect on the date of service.

18 (b) The usual and customary charge. This charge shall be the price the
19 provider most frequently charges the general public for the same drug unless
20 otherwise defined in the current approved Medicaid state plan in effect on the date
21 of service.

22 (c) The pharmacy's submitted charge.

23 (3) "Local pharmacy" means any pharmacy, domiciled in at least one
24 Louisiana parish that meets both of the following criteria:

25 (a) Contracts with the managed care organization or the managed care
26 organization's contractor in its own name or through a pharmacy services
27 administration organization and not under the authority of a group purchasing
28 organization.

29 (b) Has fewer than ten retail outlets under its corporate umbrella.

30 B. A managed care organization may negotiate the ingredient cost
31 reimbursement in its contracts with providers.

32 C. Any contract between the department and a managed care organization
33 that includes provisions for pharmacy reimbursement shall provide for a
34 reimbursement dispute process for local pharmacies.

35 (1) Such reimbursement dispute process shall, at a minimum, include the
36 following elements:

37 (a) Final review authority shall be retained by the department or by a party
38 agreed upon by the department, the Louisiana Association of Health Plans, and the
39 Louisiana Independent Pharmacies Association.

40 (b) If the dispute results in a finding that reimbursement was unreasonable,
41 the managed care organization shall be required to provide the pharmacy an
42 increased reimbursement and shall update its maximum allowable cost list to reflect
43 the increase.

44 (c) The department shall define reasonableness in relation to the contractual
45 rate paid by the department to the managed care organization to manage pharmacy
46 services in the medical assistance program.

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(2) The department shall not amend any contract between itself and a managed care organization in order to comply with the requirements of this Subsection unless such amendment shall not increase the actuarially sound rate paid to the managed care organization as of March 1, 2015.

D. After June 15, 2016, no managed care organization shall pay a local pharmacy a per-prescription reimbursement at a rate less than the legacy Medicaid rate unless its contract with the department provides for a reimbursement dispute process as described in Subsection C of this Section.

E. The full cost of implementing and performing the provisions of this Section shall be the responsibility of the Department of Health and Hospitals through a reallocation of existing budget resources of the department and not through additional appropriations.

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