

2020 Regular Session

HOUSE BILL NO. 608

BY REPRESENTATIVE JORDAN

INSURANCE/HEALTH: Provides relative to the regulation of pharmacy benefit managers

1 AN ACT

2 To amend and reenact R.S. 40:2868, relative to the regulation of pharmacy benefit
3 managers; to limit the regulatory authority of the Board of Pharmacy; to provide for
4 an effective date; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 40:2868 is hereby amended and reenacted to read as follows:

7 §2868. Pharmacy benefit manager; regulation by Board of Pharmacy; requirements
8 for permitting; limitations

9 A. A pharmacy benefit manager may obtain and maintain a permit from the
10 Board of Pharmacy if the pharmacy benefit manager administers, develops,
11 maintains, performs, or provides one or more of the following pharmacy services in
12 this state or that affects one or more beneficiaries of a pharmacy benefit management
13 plan administered by the pharmacy benefit manager:

14 (1) Adjudication of appeals or grievances related to prescription drug
15 coverage.

16 (2) Disease management programs. For purposes of this Subsection,
17 "disease management program" means a program adopted to guide and care for
18 beneficiaries with chronic health problems to improve the quality of health care
19 provided to them and prevent future need for medical resources by using an
20 integrated comprehensive approach.

1 (3) Drug formularies. For purposes of this Subsection, "drug formulary"
2 means a list of prescription medications or pharmaceutical products developed and
3 approved by each health plan that may be dispensed to a beneficiary through
4 participating pharmacies. A drug formulary may also be referred to as a "preferred
5 drug list", "prior authorization list", or "pharmacopeia".

6 (4) Drug regimen reviews. For purposes of this Subsection, "drug regimen
7 review" means third-party review of all medications a beneficiary is currently using,
8 whether prescribed or over-the-counter, and administered by any method.

9 (5) Prescription drug management programs. For purposes of this
10 Subsection, "prescription drug management program" means a program developed
11 and designed to administer the prescription drug benefit as part of a health plan, and
12 as part of such administration a PBM may contract with pharmacies for
13 implementation and dispensing drugs in accordance with the program.

14 (6) Processing of prior authorization requests. For purposes of this
15 Subsection, "processing of prior authorization requests" means making a
16 determination regarding payment coverage based on an advance approval request
17 submitted by a physician or other healthcare provider before a specific procedure,
18 service, device, supply, or medication is delivered to the beneficiary.

19 (7) Quality care dosing services. For purposes of this Subsection, "quality
20 care dosing services" means electronically checking prescription medications before
21 they are filled at the pharmacy to ensure that the quantity and dosage is consistent
22 with the recommendations of the United States Food and Drug Administration and
23 others.

24 (8) Step therapy procedures. For purposes of this Subsection, "step therapy
25 procedure" means protocols and policies that establish a specific sequence in which
26 prescription drugs for a medical condition are approved for coverage by a health plan
27 for a beneficiary which generally requires cheaper drugs to be used before more
28 costly drugs. Step therapy may also be referred to as "fail first" protocol.

Proposed law limits the regulatory authority of the La. Board of Pharmacy by prohibiting the board from adopting any permitting requirements that conflict with those established in the Louisiana Insurance Code for third-party administrators.

Proposed law supersedes the provisions of Act 124 of the 2019 Regular Session of the Legislature that enact R.S. 40:2868.

Effective July 1, 2020.

(Amends R.S. 40:2868)