
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)]

HB 244 Original

2021 Regular Session

Turner

Abstract: Provides for the licensing and regulation of pharmacy services administrative organizations.

Proposed law defines "pharmacy services administrative organization" and "pharmacy services administrative organization contract".

Proposed law requires a pharmacy services administrative organization operating within the state of La. to be registered and licensed with the Dept. of Insurance by submission of an application and registration fee to the commissioner of insurance. Further prohibits a pharmacy services administrative organization from entering into an agreement or contract with a pharmacy if such organization is not registered and licensed by Jan. 1, 2022.

Proposed law subjects licensed pharmacy services administrative organizations to present law provisions relative to regulating pharmacy benefit managers (R.S. 40:2861 et seq.).

Proposed law requires a pharmacy services administrative organization that contracts with a pharmacy to exercise certain fiduciary duties of care and avoid conflicts of interests. Further provides that a contractual provision that waives or limits prescribed fiduciary duties is void.

Proposed law requires a pharmacy services administrative organization to notify the contracted pharmacy in writing of any activity, policy, or practice that presents a conflict of interest.

Proposed law prohibits a pharmacy services administrative organization from engaging in any act, method, or practice prohibited by present law provisions of Unfair Trade Practices (R.S. 22:1961 et seq.).

Proposed law requires any pharmacy services administrative organization contract or related change to be provided, in full and unredacted, by the pharmacy services administrative organization to every affected pharmacy in sufficient time but not less than 10 business days prior to the effective date. Further provides that any contractual provision in a pharmacy services administrative organization contract that prohibits full disclosure is void.

Proposed law requires a pharmacy services administrative organization to remit to a contracted pharmacy any reimbursements, including sales and use taxes, received on behalf of a pharmacy within a reasonable amount of time after receipt of the reimbursement.

Proposed law prohibits a pharmacy services administrative organization from retaining any portion of reimbursements, including dispensing fees, direct or indirect remuneration fees, sales and use taxes, or any other amount owed to a pharmacy.

Proposed law authorizes the commissioner of insurance, in accordance with the Louisiana Insurance Code or the Administrative Procedure Act, to suspend, revoke, or place on probation the license of a pharmacy services administrative organization if such organization is determined by the commissioner to have violated any provision of proposed law.

(Adds R.S. 22:1660.1-1660.6)