
DIGEST

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HB 244 Engrossed

2021 Regular Session

Turner

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

Proposed law defines "pharmacy services administrative organization", "pharmacy services administrative organization contract", and "clean claim".

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. Requires the commissioner's fee to not exceed \$300.00. 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 provides that a pharmacy services administrative organization is not responsible for activities solely within the purview of a pharmacy benefits manager. Further requires the commissioner to promulgate rules to define roles and responsibilities solely within the purview of pharmacy benefits managers and pharmacy services administrative organizations.

Proposed law requires a pharmacy services administrative organization to notify a contracted pharmacy in writing of any activity, policy, or practice that presents a conflict of interest. Further 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 prohibits a plan sponsor or pharmacy benefits manager from retroactively reducing payments on clean claims unless certain conditions apply. Provides that if a written agreement exists, retroactive increases in payment to a pharmacy are allowable. Further requires a pharmacy services administrative organization to provide a contracted pharmacy with access to the pharmacy's complete and unredacted contracts upon the pharmacy's request.

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 provides that when a pharmacy services administrative organization has not yet received final payment, retroactive adjustments, or reconciliations from a plan sponsor or pharmacy benefits manager, or funds are being held to pay amounts owed by the pharmacy, proposed law (R.S. 22:1660.5) regarding reimbursement and fees does not apply.

Proposed law authorizes the commissioner of insurance, in accordance with the Louisiana Insurance Code or the APA, 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)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the original bill:

1. Specify for the commissioner's registration fee to not exceed \$300.00.
2. Delete language that would have subjected pharmacy services administrative organizations to present law (R.S. 40:2861 et seq.) regulations for pharmacy benefits managers.
3. Delete language with respect to conflicts of interests, other conduct, and the duty of a fiduciary relationship owed by a pharmacy services administrative organization to a pharmacy.
4. Provide that a pharmacy services administrative organization is not responsible for the activities solely within the purview of a pharmacy benefits manager.
5. Require the commissioner of insurance to promulgate rules to define the roles and responsibilities solely within the purview of pharmacy benefits managers and pharmacy services administrative organizations.
6. Define the term "clean claim" and prohibit a plan sponsor or pharmacy benefits manager from retroactively reducing payments on clean claims unless certain conditions apply; however, if a written agreement exists, retroactive increases in payment to a pharmacy are allowable.
7. Require a pharmacy services administrative organization to provide a contracted pharmacy with access to the pharmacy's complete and unredacted contracts upon the pharmacy's request.
8. Provide that when a pharmacy services administrative organization has not yet received final payment, retroactive adjustments, or reconciliations from a plan sponsor or

pharmacy benefits manager, or funds are being held to pay amounts owed by the pharmacy, proposed law (R.S. 22:1660.5) does not apply.

9. Make technical changes.