

RÉSUMÉ DIGEST

ACT 192 (HB 244)

2021 Regular Session

Turner

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

New 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 a pharmacy services administrative organization to file an annual report. Further sets a \$300.00 licensing fee and a \$150.00 annual report filing fee.

New law prohibits a person from acting as a pharmacy services administrative organization in this state without a valid license issued by the commissioner. Requires a pharmacy services administrative organization's application for licensure to include certain documents and pertinent information. Authorizes the commissioner, upon his request, to inspect copies of certain contracts to determine qualification for licensure. Further authorizes the commissioner to deny or revoke a license for certain cause.

New law provides for a license to remain valid as long as the pharmacy services administrative organization continues business in this state and remains in compliance with new law. Exempts a pharmacy services administrative organization from La. licensure requirements when certain out-of-state conditions apply.

New law requires a pharmacy services administrative organization to notify the commissioner of any material changes in fact or circumstance relative to its license qualification.

New law requires the commissioner to suspend, revoke, or deny the license of a pharmacy services administrative organization, or to impose a fine for violations not in excess of \$500.00 per violation when the pharmacy services administrative organization has failed to timely pay a judgment rendered against it. Further authorizes the commissioner to suspend, revoke, or deny the license of a pharmacy services administrative organization or impose a fine for certain other violations.

New law authorizes the commissioner to access the books and records maintained by a pharmacy services administrative organization for the purposes of examination, audit, and inspection, and authorizes the commissioner to cause an examination of a pharmacy services administrative organization, when deemed necessary. Requires the commissioner to keep any trade secrets contained in books and records confidential; however, the commissioner may use such information in any proceeding instituted against the pharmacy services administrative organization.

New law requires information provided to the commissioner by a pharmacy services administrative organization and certain terms and contracts between certain parties to remain confidential. This information is not subject to subpoena and is not public information, except it may be provided to insurance departments in other states for certain purposes.

New law authorizes the commissioner to adopt rules and regulations necessary to implement new law.

New law obligates the duties of care, competence, good faith, fair dealing, and loyalty to be performed by a pharmacy services administrative organization that contracts with a pharmacy as its agent or to perform activities related to prescription drug benefits.

New 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.

New 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 that interferes with the duties imposed in new law. Further prohibits a pharmacy services

administrative organization from engaging in any acts, methods, or practices prohibited as unfair trade practices in the La. Insurance Code (R.S. 22:1961 et seq.).

New law creates an exception to existing law, Public Records Law (R.S. 44:4.1(B)).

Effective August 1, 2021.

(Adds R.S. 22:1660.1-1660.9)