
DIGEST

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HB 529 Engrossed

2023 Regular Session

Edmonds

Abstract: Establishes contractual and administrative requirements for providers of pharmacy benefit manager services (PBM) for the Office of Group Benefits (OGB).

Present law establishes OGB as the general administrator of health, life, and other benefit programs for state employees and retirees. Further requires all group insurance contracts administered by OGB to conform to the requirements of present law regarding group insurance.

Proposed law places contractual and administrative requirements on any OGB provider of PBM services. Requires compensation for any PBM contract to be limited to an administrative fee only, calculated by multiplying the number of processed claims by a transaction fee, which is prohibited from exceeding \$1.25 per pharmacy claim processed.

Proposed law additionally prohibits a PBM from reimbursing a pharmacy, pharmacist, or a representative thereof, an amount that is less than the sum of the pharmacy or pharmacist's actual acquisition cost of a covered drug, device, or service plus the professional dispensing fee paid to the pharmacy or pharmacist at the time the drug, device, or service is administered or dispensed. Requires the amount a PBM reimburses a pharmacy or pharmacist for the professional dispensing fee to be equal to or greater than the dispensing fee established by the La. Dept. of Health in the La. Medicaid state plan for medical assistance approved by the Centers for Medicare and Medicaid Services that is in effect at the time the covered drug, device, or service is administered or dispensed. Further prohibits a pharmacy benefit manager from including the professional dispensing fee or taxes within the amount calculated to reimburse a pharmacy or pharmacist for actual acquisition cost.

Proposed law requires the PBM to provide the office real-time, unredacted, read access to view the pharmacy claims processing system and prior authorization records.

Proposed law requires OGB to prohibit a pharmacy benefit manager from retaining any portion of either of the following:

- (1) Pharmacy or other rebates or credits submitted by any pharmaceutical manufacturer.
- (2) "Spread pricing." Further defines "spread pricing" to mean any amount charged or claimed by a pharmacy benefit manager to the office that is in excess of the amount paid to the dispensing pharmacy, including the ingredient cost, provider fee, and dispensing fee.

Proposed law further prohibits a PBM from doing any of the following:

- (1) Buying, selling, transferring, or providing personal healthcare or contact information of a beneficiary to any other party, including subsidiaries of the pharmacy benefit manager, for any purpose unless specifically authorized to do so by the office, and under no circumstance may such activity be for the purpose of patient steering. For purposes of this Subparagraph, "patient steering" means encouraging or enticing of any beneficiary to switch to any pharmacy, including a mail-order pharmacy, through unsolicited advice or mass-marketing directed at a beneficiary by a pharmacy benefit manager, including any employees, affiliated providers, agents, or contractors of the pharmacy benefit manager, that is intended to influence or that can reasonably be concluded to influence the beneficiary to change pharmacies.
- (2) Denying any Louisiana-licensed pharmacy or Louisiana-licensed pharmacist the right to be a participating provider in the office's pharmacy benefit manager's provider network if the pharmacy or pharmacist is in good standing with the La. Board of Pharmacy.
- (3) Deducting sales taxes owed to any taxing authority imposing the sales tax pursuant to R.S. 47:337.11.1 from any amount due as reimbursement to a pharmacist or pharmacy.
- (4) Making or allowing any direct or indirect reduction of payment to a pharmacist or pharmacy for a drug, device, or service under a reconciliation process to an effective rate of reimbursement, including, but not limited to, generic effective rates, brand effective rates, direct and indirect remuneration fees, or any other reduction or aggregate reduction of payment.

Effective January 1, 2024.

(Adds R.S. 42:802.2)