Louisiana Legislative	LEGISLATIVE FISCAL OFFICE Fiscal Note						
Fiscal Office		Fiscal Note On: HB 548 HLS 23RS 8					
Fiscal Office Fiscal Notes	Bill Text Version: ENGROSSED						
	Opp. Chamb. Action: Proposed Amd.:						
		Sub. Bill For.:					
Date: April 25, 2023	5:39 PM	Author: TURNER					
Dept./Agy.:LDH							
Subject: 340B drug pricing		Analyst: Shawn Hotstream					

DRUGS/PRESCRIPTION

EG NO IMPACT See Note

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Provides relative to the 340B drug pricing program

<u>Proposed law prevents</u> a health insurance issuer, pharmacy benefit manager (PBM), other third-party payor or its agent from the following: 1) reimbursing a 340B entity for 340B drugs at a rate lower than that paid for the same drug to entities that are not 340B entities; 2) impose terms/conditions on any 340B entity with respect to fees, dispensing fees, charges, clawbacks, restrictions, requirements, or other adjustments or assessments that differ from such terms or conditions applied to non-340B entities; 3) require a 340B entity to reverse, resubmit or clarify a claim after the initial adjudication unless in the normal course of business; 4) discriminate against a 340B entity in a manner that interferes with patient choice; and 5) require or compel the submission of ingredient costs or pricing data pertaining to 340B drugs to any health insurance issuer, PBM, or third party payor. <u>Proposed law</u> prevents a manufacture or distributor from denying, restricting, prohibiting, or interfering with the acquisition or delivery of a 340B drug by a pharmacy that is under contract with a 340B entity and is authorized under the contract to receive and dispense 340B drugs on behalf of the covered entity. A manufacturer or distributor shall not interfere with a pharmacy contracted with a 340B entity.

EXPENDITURES	2023-24	<u>2024-25</u>	2025-26	2026-27	2027-28	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0
REVENUES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Deal, other	40	40	+ •			
Federal Funds	\$0 \$0	\$0 \$0	\$0	\$0	\$0	\$0
-			-			\$0 <u>\$0</u>

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on expenditures of LDH/Medicaid or the Office of Group Benefits as a result of this measure. This measure prohibits practices by a pharmacy benefit manager, health insurance issuer, or other third party payor that would limit or impose conditions that would indirectly lower the amount of reimbursement for a drug discounted according to the federal 340B drug pricing program. In addition, the bill prohibits actions by a manufacture or distributor from denying or interfering with the acquisition of a 340B drug discount program. The 340B program allows qualifying hospitals that treat low income and uninsured patients to buy outpatient prescription drugs at a discount.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

