

2025 Regular Session

HOUSE BILL NO. 264

BY REPRESENTATIVES ECHOLS, AMEDEE, BACALA, BAGLEY, BAMBURG, BAYHAM, BEAULLIEU, BERAULT, BILLINGS, BOYD, BUTLER, CARLSON, CARPENTER, CARRIER, ROBBY CARTER, CARVER, CHASSION, CHENEVERT, COATES, COX, CREWS, DESHOTEL, DEVILLIER, DICKERSON, DOMANGUE, EDMONSTON, EGAN, EMERSON, FARNUM, FIRMENT, FONTENOT, GLORIOSO, HEBERT, HORTON, HUGHES, ILLG, JACKSON, MIKE JOHNSON, TRAVIS JOHNSON, JORDAN, KERNER, LAFLEUR, JACOB LANDRY, MACK, MARCELLE, MCCORMICK, MCFARLAND, MCMAHEN, MCMAKIN, MELERINE, MILLER, NEWELL, ORGERON, OWEN, ROMERO, SCHAMERHORN, SCHLEGEL, SPELL, ST. BLANC, STAGNI, TAYLOR, THOMPSON, TURNER, VILLIO, WALTERS, WILDER, WILEY, AND WYBLE AND SENATOR BASS

AN ACT

To amend and reenact the heading of Subpart C-1 of Part II of Chapter 6 of Title 22 of the Louisiana Revised Statutes of 1950, R.S. 22:1863, 1865 (Section heading), and 1867, R.S. 40:2869(A) and (B) and 2870(A)(4) and (5)(a), and R.S. 44:4.1(B)(11), to enact R.S. 22:1868, 1868.1, 1869, 1870, and 1871, and to repeal R.S. 22:1657.1, 1860.2, and 1860.3(E) and R.S. 40:2870(A)(5)(b), relative to pharmacy benefit managers; to prohibit the retention of rebates; to provide for reimbursement of pharmacists and pharmacies; to authorize the commissioner of insurance's examination of records and compensation programs; to provide for appeals; to provide for definitions; to prohibit effective rate pricing and spread pricing; to provide for reporting; to provide for advisory council membership; to provide for enforcement and effective dates; to provide for the creation of a fund; to prohibit patient steering; to provide for public records exceptions; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. The heading of Subpart C-1 of Part II of Chapter 6 of Title 22 of the Louisiana Revised Statutes of 1950, R.S. 22:1863, 1865 (Section heading), and 1867 are hereby amended and reenacted and R.S. 22:1868, 1868.1, 1869, 1870, and 1871 are hereby enacted to read as follows:

1 SUBPART C-1. PHARMACY BENEFIT MANAGERS ~~MANAGER'S~~
2 ~~MAINTENANCE AND USE OF MAXIMUM ALLOWABLE COST LISTS FOR~~
3 ~~PRESCRIPTION DRUGS~~

4 §1863. Definitions

5 As used in this Subpart, the following definitions apply:

6 (1) "Drug Shortage List" means a list of drug products posted on the United
7 States Food and Drug Administration drug shortage website.

8 (2) "Effective rate pricing" means any payment reduction for pharmacist or
9 pharmacy services by a pharmacy benefit manager under a reconciliation process for
10 direct or indirect remuneration fees, a brand or generic effective rate of
11 reimbursement, or any other reduction or aggregate reduction of payment.

12 (3) "Health benefit plan", "health plan", "plan", "benefit", or "health
13 insurance coverage" means services consisting of medical care provided directly
14 through insurance, reimbursement, or other means, and including items and services
15 paid for as medical care under any hospital or medical service policy or certificate,
16 hospital or medical service plan contract, preferred provider organization contract,
17 or health maintenance organization contract offered by a health insurance issuer.
18 However, excepted benefits are not included as a "health benefit plan".

19 (4) "Health insurance issuer" means any entity that offers health insurance
20 coverage through a plan, policy, or certificate of insurance subject to state law that
21 regulates the business of insurance. "Health insurance issuer" shall also include a
22 health maintenance organization, as defined and licensed pursuant to Subpart I of
23 Part I of Chapter 2 of this Code.

24 (5) "Local pharmacy" means a pharmacy as defined in the North American
25 Industry Classssification System (NAICS) Code 456110, which is domiciled in
26 Louisiana and has fewer than ten retail outlets under its corporate umbrella.

27 ~~(2)~~ (6) "Maximum Allowable Cost List" means a listing of the National Drug
28 Code used by a pharmacy benefit manager setting the maximum allowable cost on
29 which reimbursement to a pharmacy or pharmacist may be based. "Maximum
30 Allowable Cost List" shall include any term that a pharmacy benefit manager or a

1 healthcare insurer may use to establish reimbursement rates for generic and
2 multi-source brand drugs to a pharmacist or pharmacy for pharmacist services. The
3 term "~~Maximum Allowable Cost List~~" shall not include any rate mutually agreed to
4 and set forth in writing in the contract between the pharmacy benefit manager and
5 the pharmacy or its agent and shall not include the National Average Drug
6 Acquisition Cost. A pharmacy benefit manager may use effective rate pricing for a
7 pharmacist or pharmacy that is not a local pharmacy or local pharmacist as defined
8 in R.S. 46:460.36(A).

9 ~~(3)~~ (7) "NDC" means the National Drug Code, a numerical identifier assigned
10 to all prescription drugs.

11 ~~(4)~~ (8) "Pharmacist" means a licensed pharmacist as defined in R.S.
12 22:1852(8).

13 ~~(5)~~ (9) "Pharmacist services" means products, goods, or services provided as
14 a part of the practice of pharmacy as defined in R.S. 22:1852(9).

15 ~~(6)~~ (10) "Pharmacy" means any appropriately licensed place where
16 prescription drugs are dispensed as defined in R.S. 22:1852(10).

17 ~~(7)~~ (11) "Pharmacy benefit manager" ~~means an entity that administers or~~
18 ~~manages a pharmacy benefits plan or program~~ has the same meaning as the term
19 defined in R.S. 22:1641(8) and includes any person, either directly or indirectly, that
20 provides one or more pharmacy benefit management services on behalf of an insurer
21 or health plan, and any agent, contractor, intermediary, affiliate, subsidiary, or
22 related entity of such person who facilitates, provides, directs, or oversees the
23 provision of the pharmacy benefit management services.

24 ~~(8)~~ (12) "Pharmacy benefits plan" or "pharmacy benefits program" means a
25 plan or program that pays for, reimburses, covers the cost of, or otherwise provides
26 for pharmacist services to individuals who reside in or are employed in Louisiana.

27 (13) "Rebates" means all rebates, discounts, and other price concessions,
28 based on utilization of a prescription drug and paid by the manufacturer or other
29 party other than an enrollee, directly or indirectly, to the pharmacy benefit manager
30 after the claim has been adjudicated at the pharmacy. Rebates shall include a

reasonable estimate, as determined by the commissioner, of any volume-based discount or other discounts.

(14) "Specialty drug" means a drug that meets all of the following criteria:

(a) The drug is used to treat and is prescribed for a person with a complex, chronic, or rare medical condition that is progressive, can be debilitating or fatal if left untreated or undertreated, or for which there is no known cure.

(b) The drug is not routinely stocked at a majority of pharmacies within this state.

(c) The drug has special handling, storage, inventory, or distribution requirements.

(d) Patients receiving the drug require complex education and treatment maintenance, such as complex dosing, intensive monitoring, or clinical oversight.

~~(9)~~(15) "Spread pricing" means any amount charged or claimed by a pharmacy benefit manager ~~charges or claims from a health plan provider or managed care organization for payment of a prescription or for pharmacy services that is different than~~ drug that exceeds the amount paid by the pharmacy benefit manager paid to the pharmacist or pharmacy who filled the prescription or provided the pharmacy services for the dispensing of the prescription drug, minus a pharmacy benefit management fee.

* * *

§1865. Appeals; maximum allowable costs

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§1867. Prohibition on spread pricing; ~~notice exception~~ effective rate pricing; fees

A. A pharmacy benefit manager is prohibited from conducting or participating in spread pricing in this state ~~unless the pharmacy benefit manager provides written notice as provided in Subsection B of this Section.~~

B. ~~The notice issued by a pharmacy benefit manager, or a health insurance issuer where the health insurance issuer has agreed to issue the notice, that utilizes spread pricing shall be:~~ A pharmacy benefit manager is prohibited from using effective rate pricing for a local pharmacy.

~~(1) Required for each health insurance issuer or plan provider in which the pharmacy benefit manager engaged or participated in spread pricing.~~

~~(2) Delivered to the policy holder.~~

~~(3) Provided at least biannually.~~

~~(4) Indicative of the aggregate amount of spread pricing charged by the pharmacy benefit manager during the period.~~

~~(5) Written in plain, simple, and understandable English.~~

C. A health insurance issuer or a pharmacy benefit manager shall not directly or indirectly charge or hold a pharmacist or pharmacy responsible for any fee.

~~C. D.~~ Any violation of this Section that is committed or performed with such frequency as to indicate a general business practice shall be subject to the provisions of the Unfair Trade Practices and Consumer Protection Law, R.S. 51:1401 et seq., as provided in R.S. 40:2870(B).

§1868. Local pharmacy reimbursement; National Average Drug Acquisition Costs; appeals

A.(1) No pharmacy benefit manager or person acting on behalf of a pharmacy benefit manager shall reimburse a pharmacy or pharmacist in this state an amount less than the acquisition cost for the covered drug, device, or service. The provisions of this Section shall apply only to reimbursement for a contracted pharmacist or local pharmacy.

(2) For purposes of this Section, the following definitions shall apply:

(a) "Acquisition cost" means the set of National Average Drug Acquisition Costs, "NADAC", as calculated by the Centers for Medicaid and Medicaid Services and reflected in the most recently released public file.

(b) "Adjustment factor" means a percentage-based change to the prescription drug pricing benchmark, such as average wholesale price or national average drug acquisition cost, applied uniformly across a class of drugs.

(c) "Claim payment error" means a pharmacy or pharmacist claim payment amount that fails to reimburse at or above acquisition cost.

1 (d) "Reimbursement formula" means a prescription drug reimbursement
2 calculation involving an ingredient price, calculated based on a prescription drug
3 pricing benchmark plus an adjustment factor, and a professional dispensing fee.

4 (3) Notwithstanding any provision of law to the contrary, effective January
5 1, 2026, a pharmacy benefit manager shall meet all of the following requirements for
6 claims submitted by any local pharmacy to a pharmacy benefit manager
7 administering claims on behalf of a health plan, except for the office of group
8 benefits:

9 (a) Adopt a reimbursement formula using either NADAC as the prescription
10 drug pricing benchmark or, with prior written approval by the commissioner, an
11 alternative prescription drug pricing benchmark that results in claim payment errors
12 that are both comparable to or less than NADAC in terms of frequency and smaller
13 than NADAC in terms of magnitude.

14 (b) Adopt a reimbursement formula using an adjustment factor that, based on
15 claims experience data available to the pharmacy benefit manager, is reasonably
16 expected to result in a claim payment error rate of no more than two percent per drug
17 as identified by its national drug code.

18 (c) Adopt an appeal process for pharmacists to challenge claim payment
19 errors that, at a minimum, meets the following requirements:

20 (i) A network pharmacy contract executed by and between a pharmacy
21 benefit manager and a pharmacy located in Louisiana shall, at a minimum, contain
22 a provision expressly acknowledging that if a Louisiana pharmacy's reimbursement
23 for any covered drug or device is less than the pharmacy's acquisition cost for that
24 drug or device, the pharmacy has the right to appeal that reimbursement and, if
25 successful, receive additional payment so that the total reimbursement is equal to the
26 pharmacy's demonstrated acquisition cost. The pharmacy benefit manager shall
27 direct the pharmacy to the pharmacy benefit manager's electronic and written appeal
28 locations.

29 (ii) Permit appeals to be filed for a period of fifteen days following the
30 applicable date of payment.

1 (iii) If an appeal is filed with the pharmacy benefit manager, the pharmacy
2 must include a written invoice from the wholesaler that includes the drug name,
3 national drug code number, purchase date, and cost of the drug.

4 (iv) If a claim payment error occurred, the pharmacy benefit manager shall
5 make an additional payment to the pharmacy to increase the reimbursement amount
6 to the acquisition cost.

7 (v) The pharmacy benefit manager shall individually notify all pharmacies
8 using the same customary supplier or wholesaler that a claim payment error occurred
9 and that the pharmacy may reverse and resubmit the claim to correct the claim
10 payment error. The pharmacy benefit manager shall make retroactive price
11 adjustments in the next payment cycle.

12 (vi) If a pharmacy benefit manager determines that a claim payment error did
13 not occur, it shall provide the pharmacy or pharmacist with an explanation of why
14 it has upheld the payment, including a specific documentation of the acquisition cost
15 on the date of service. The explanation shall be provided electronically or in writing
16 through customary means of communication between the pharmacy benefit manager
17 and the pharmacy or pharmacist. The explanation shall also include a notice in at
18 least ten point font stating that, if the pharmacy or pharmacist disagrees with the
19 decision, the pharmacy or pharmacist may file a complaint with the Department of
20 Insurance.

21 §1868.1. Pharmacy benefit manager rebate retention restrictions; fee disclosure

22 A. A pharmacy benefit manager may negotiate, but shall not retain any
23 portion of rebates received from a drug manufacturer. All manufacturer rebates shall
24 be passed through to the plan sponsor as shared savings in the form of lower
25 premiums, reduced cost-sharing including reduced copays, coinsurance, or
26 deductibles for prescription drugs, or to provide broader drug coverage. The specific
27 allocation of rebates and how they are shared with plan members shall be identified
28 in the plan sponsor's plan design and contract terms.

1 B. All pharmacy benefit management fees shall be disclosed in writing and
2 set forth clearly in the contract between the pharmacy benefit manager and the
3 insurer or health plan.

4 C. On or before December thirty-first of each calendar year, each pharmacy
5 benefit manager shall certify under oath to the commissioner of insurance that it has
6 fully complied with the provisions of this Section for the prior calendar year. The
7 certification shall be signed by the chief executive officer or chief financial officer
8 of the pharmacy benefit manager and shall be subject to audit and penalty for false
9 statements.

10 D. Any violation of this Section shall be considered an unfair or deceptive act
11 or practice in the business of insurance and shall be subject to all enforcement
12 authority granted to the commissioner pursuant to this Title.

13 E. For purposes of this Section, the following definitions apply:

14 (1) "Pharmacy benefit management fee" means a fee paid by an insurer or
15 health plan to a pharmacy benefit manager for pharmacy benefit management
16 services provided.

17 (2) "Rebates" means all rebates, discounts, and other price concessions, based
18 on utilization of a prescription drug and paid by the manufacturer or other party other
19 than an enrollee, directly or indirectly, to the pharmacy benefit manager after the
20 claim has been adjudicated at the pharmacy. Rebates shall include a reasonable
21 estimate, as determined by the commissioner, of any volume-based discount or other
22 discounts.

23 §1869. Compensation program; review by commissioner; exceptions

24 A. The commissioner may review the compensation program of a pharmacy
25 benefit manager or person acting on behalf of a pharmacy benefit manager with a
26 health insurance issuer, pharmacy services administrative organization, pharmacy,
27 or pharmacist, or any person acting on their behalf, to ensure that the reimbursement
28 for drugs, devices, and services paid to the pharmacist or pharmacy is fair and
29 reasonable.

30 B. "Compensation program" means both of the following:

1 (a) Negotiated price concessions such as base price concessions, including
2 those labeled as a rebate or otherwise; reasonable estimates of any price protection
3 rebates; and performance-based price concessions that may accrue directly or
4 indirectly to the health insurance issuer, plan, or other party on behalf of the health
5 insurance issuer or plan, including a pharmacy benefit manager, during the coverage
6 year. These concessions may come from a pharmaceutical manufacturer, dispensing
7 pharmacy, or other party in connection with the dispensing or administration of a
8 prescription drug.

9 (b) Reasonable estimates, as determined by the commissioner, of any
10 negotiated price concessions, fees, and other administrative costs that are passed
11 through, or are reasonably anticipated to be passed through, to the health insurance
12 issuer or plan that serve to reduce the health insurance issuer's or plan's liabilities for
13 a prescription drug.

14 C. Information provided to the commissioner pursuant to Subsection A of this
15 Section and specifically identified as confidential by the pharmacy benefit manager,
16 including the terms and conditions of any contract and other proprietary information,
17 shall be confidential and shall not be subject to disclosure. However, the
18 commissioner may disclose confidential information to insurance departments of
19 other states or for the purposes of any adjudicatory hearing or court proceeding
20 invoked by the commissioner in accordance with the provisions of this Part.

21 §1870. Pharmacy benefit manager transparency report; examination by
22 commissioner

23 A. Each pharmacy benefit manager licensed by the commissioner shall
24 submit an annual transparency report as a condition of maintaining licensure.

25 B.(1) On March first of each year, each licensed pharmacy benefit manager
26 shall submit a transparency report containing data from the prior calendar year to the
27 department. The transparency report shall contain the following information for each
28 of the pharmacy benefit manager's contractual or other relationships with a health
29 benefit plan or health insurance issuer:

1 (a) The total amount of all rebates that the pharmacy benefit manager
2 received from pharmaceutical manufacturers.

3 (b) The total amount of all administrative fees that the pharmacy benefit
4 manager received.

5 (c) The total amount of all negotiated price concessions such as base price
6 concessions, reasonable estimates of any price protection rebates other than
7 manufacturer rebates, and performance-based price concessions.

8 (d) The total amount of all rebates passed to enrollees at the point of sale of
9 a prescription drug.

10 (e) The total amount of all reimbursement paid to network pharmacies in this
11 state, specifically identified by local pharmacy and non-local pharmacy.

12 (f) The total amount of all specialty drug rebates that the pharmacy benefit
13 manager received.

14 (g) The total number of other services provided by the pharmacy benefit
15 manager or its affiliates or subsidiaries in addition to prescription drugs. The total
16 amount reported shall include identification of the service, the number of services
17 provided, by whom they were provided, and the dollar amount relative to the
18 provision of the services.

19 (h) The complete corporate vertical integration structure of all components
20 related to the pharmacy benefit manager including the insurer, pharmacy benefit
21 manager, group purchasing organization, manufacturer, wholesale distributor, special
22 or mail order pharmacy, retail or long term care pharmacy, and provider.

23 (2) The transparency report shall be made available in a form that does not
24 disclose the identity of a specific health benefit plan, the prices charged for specific
25 drugs or classes of drugs, or the amount of any rebates provided for specific drugs
26 or classes of drugs.

27 (3) Within sixty days of receipt, the Department of Insurance shall publish
28 the transparency report on the department's website in a location designated for
29 pharmacy benefit manager information.

1 (4) The pharmacy benefit manager and the Department of Insurance shall not
2 publish or disclose any information that would reveal the identity of a specific health
3 benefit plan, the prices charged for a specific drug or class of drugs, or the amount
4 of any rebates provided for a specific drug or class of drugs. Any such information
5 shall be protected from disclosure as confidential and proprietary information and
6 shall not be regarded as a public record pursuant to the Public Records Law.

7 (5) A pharmaceutical drug manufacturer shall provide notice not later than
8 thirty days after increasing the wholesale acquisition drug cost of a brand name drug
9 by more than fifteen percent per wholesale acquisition cost unit during any twelve
10 month period, or generic or biosimilar drug with a significant price increase, as
11 defined by the commissioner, in any twelve-month period, or introducing a new drug
12 for distribution in this state when the wholesale acquisition cost is greater than the
13 amount that causes the drug to be considered a specialty drug under the Medicare
14 Part D program. The manufacturer shall also report to the commissioner specific
15 information about the drug subject to a price increase and an explanation of the
16 increase, including whether it was in response to any rebate or formulary
17 requirement.

18 C. The information required pursuant to this Section shall be submitted in a
19 format determined by the commissioner.

20 D.(1) The commissioner may examine the books or records of a pharmacy
21 benefit manager to determine the accuracy of the transparency report. The
22 commissioner shall have access to any information he considers necessary to
23 determine the accuracy of the transparency report including but not limited to
24 individual amounts paid by a health insurance issuer to the pharmacy benefit
25 manager for drugs, devices, or services provided by a pharmacist or pharmacy, and
26 the individual amount a pharmacy benefit manager paid to a pharmacist or pharmacy
27 for the same drug, device, or service.

28 (2) This Section does not limit the power of the commissioner to examine
29 or audit the books or records of a pharmacy benefit manager.

1 §1871. Enforcement; Pharmacy Benefit Manager Enforcement Fund; creation

2 A. The commissioner shall enforce the provisions of this Section with all of
3 the powers and authority vested in him pursuant to this Title.

4 B. Any act or combination of acts prohibited by this Section shall be
5 considered an unfair method of competition and unfair practice or act in accordance
6 with the Unfair Trade Practices and Consumer Protection Law, R.S. 51:1401 et seq.

7 C.(1) The attorney general shall have independent authority to investigate,
8 enforce, and contract with outside counsel for purposes of enforcing violations of
9 this Section. Upon a finding that a pharmacy benefit manager has violated any
10 provision of this Section, the attorney general may seek restitution to the state and
11 treble damages under civil action, and shall be entitled to an award of attorney fees.

12 (2)(a) The Pharmacy Benefit Manager Enforcement Fund, hereafter referred
13 to as the "fund", is created in the state treasury as a special fund. Any monies
14 collected pursuant to a violation of this Section or violation of any provision of law
15 regulating the practice of pharmacy benefit managers shall be deposited into the
16 fund. The monies in the fund shall be invested by the state treasurer in the same
17 manner as monies in the state general fund and interest earned on the investment of
18 monies in the fund shall be credited to the fund.

19 (b) After compliance with the requirements of Article VII, Section 9(B) of
20 the Constitution of Louisiana relative to the Bond Security and Redemption Fund,
21 and prior to monies being placed in the state general fund, all monies received by the
22 state pursuant to a civil award granted or settlement under the provisions of this
23 Section shall be deposited into the fund and used for the following purposes:

24 (i) Subject to legislative appropriation, monies in the fund shall be used first
25 to fund the commissioner of insurance and attorney general's expenditures necessary
26 to carry out the provisions of this Section.

27 (ii) At the conclusion of each fiscal year, any unexpended monies shall be
28 returned to the policyholders in accordance with a program designed by the attorney
29 general and commissioner.

1 Section 2. R.S. 40:2869(A) and (B) and 2870(A)(4) and (5)(a) are hereby amended
2 and reenacted to read as follows:

3 §2869. Pharmacy benefit manager monitoring advisory council; membership;
4 functions

5 A. There is hereby created within the Department of Insurance a pharmacy
6 benefit manager monitoring advisory council, referred to hereafter in this Chapter
7 as the "advisory council", that shall consist of the following members, ~~each of whom~~
8 ~~may appoint a designee~~:

9 (1) The commissioner of the Department of Insurance, or his designee from
10 the department.

11 ~~(2) The president of the Louisiana State Board of Medical Examiners.~~

12 ~~(3) The president of the Louisiana Board of Pharmacy.~~

13 ~~(4)~~ (2) The attorney general, or her designee from the department.

14 ~~(5) The director of the public protection division of the Department of Justice.~~

15 ~~(6)~~ (3) The secretary of the Louisiana Department of Health, or his designee
16 from the department.

17 ~~(7) The president of the Louisiana Academy of Physician Assistants.~~

18 ~~(8) The president of the Louisiana State Medical Society.~~

19 ~~(9) The president of the Louisiana Association of Nurse Practitioners.~~

20 ~~(10) The president of the Louisiana Pharmacists Association.~~ (4) A
21 pharmacist who works for a chain drug store appointed by the Louisiana Alliance of
22 Retail Pharmacies.

23 ~~(11)~~ (5) ~~The president of~~ An independent pharmacist appointed by the
24 Louisiana Independent Pharmacies Association.

25 ~~(12) The president of the National Association of Chain Drug Stores.~~

26 ~~(13)~~ (6) The president of the Pharmaceutical Research and Manufacturers of
27 America, or his designee.

28 ~~(14) The president of the Louisiana Academy of Medical Psychologists.~~

29 ~~(15)~~ (7) The president of the Louisiana Association of Health Plans, or his
30 designee.

(16) ~~(8) The president~~ An employee of a pharmacy benefit manager licensed by the Louisiana Board of Pharmacy, selected by the Louisiana affiliate of the Pharmaceutical Care Management Association from a list of interested and qualified individuals. The employee shall have responsibility for and experience in daily administrative functions of the business practices of the pharmacy benefit manager.

~~(17) The president of the Louisiana Association of Business and Industry.~~

~~(18) The chief executive officer of the Louisiana Business Group on Health.~~

~~(19) The president of the Louisiana AFL-CIO.~~

~~(20) The president of the Louisiana Association of Health Underwriters.~~

~~(21)~~ (9) The governor, or his designee from the office of the governor.

~~(22)~~ (10) The chairman of the House Committee on Insurance, or his designee who is a member of the House of Representatives, who shall serve as vice chairman of the council.

~~(23)~~ (11) The chairman of the Senate Committee on Insurance, or his designee who is a member of the Senate, who shall serve as the chairman of the council.

~~(24)~~ (12) The chairman of the House Committee on Health and Welfare, or his designee who is a member of the House of Representatives.

~~(25)~~ (13) The chairman of the Senate Committee on Health and Welfare, or his designee who is a member of the Senate.

B. The members of the advisory council shall serve at the pleasure of their respective appointing authorities. Seven members shall constitute a quorum for the transaction of all business. ~~The members shall elect a chairman and vice chairman whose duties shall be established by the advisory council. The member elected to serve as chairman shall fix a time and place for regular meetings of the advisory council, which shall meet at least quarterly. The advisory council shall establish policies and procedures necessary to carry out its duties. Expenses for the administrative staffing of the advisory council shall be provided for from the licensing fees paid by pharmacy benefit managers and may be transferred between state agencies by memorandum of understanding or cooperative endeavor agreement.~~

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§2870. Prohibited acts; unfair and deceptive trade practices

A. A pharmacy benefit manager in Louisiana shall not:

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(4) Conduct or participate in effective rate pricing or spread pricing as defined in R.S. 22:1863(9) without providing the notice required by R.S. 22:1867.

(5)(a) Directly or indirectly engage in patient steering to a pharmacy in which the pharmacy benefit manager maintains an ownership interest or control ~~without making a written disclosure and receiving acknowledgment from the patient. The disclosure required by this Paragraph shall provide notice that the pharmacy benefit manager has an ownership interest in or control of the pharmacy, and that the patient has the right under the law to use any alternate pharmacy that they choose. Patient steering includes but is not limited to any communication by a pharmacy benefit manager through data mining or other similar process of any patient information generated or obtained throughout the prescription filling process at any pharmacy, including contacting the patient verbally or in writing to directly or indirectly influence the patient or provide the patient with the option to use an alternate pharmacy that is a preferred carve-out or is in a strategic relationship with the pharmacy benefit manager or in which the pharmacy benefit manager maintains an ownership interest or control or contracts with to process prescriptions on its behalf.~~ The A pharmacy benefit manager is prohibited from retaliation or further attempts to influence the patient, or treat the patient or the patient's claim any differently if the patient chooses to use the alternate pharmacy.

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Section 3. R.S. 44:4.1(B)(11) is hereby amended and reenacted to read as follows:

§4.1. Exceptions

* * *

B. The legislature further recognizes that there exist exceptions, exemptions, and limitations to the laws pertaining to public records throughout the revised statutes and codes of this state. Therefore, the following exceptions, exemptions, and

1 limitations are hereby continued in effect by incorporation into this Chapter by
 2 citation:

3 * * *

4 (11) R.S. 22:2, 14, 31, 42.1, 88, 244, 263, 265, 461, 550.7, 571, 572, 572.1,
 5 572.2, 574, 601.3, 618, 639, 691.4, 691.5, 691.6, 691.7, 691.8, 691.9, 691.9.1,
 6 691.10, 691.38, 691.56, 732, 752, 753, 771, 834, 972(D), 976, 1008, 1019.2, 1203,
 7 1460, 1464, 1466, 1483.1, 1488, 1546, 1559, 1566(D), 1644, 1656, 1657.1, 1660.7,
 8 1723, 1796, 1801, 1808.3, 1869, 1927, 1929, 1983, 1984, 2036, 2045, 2056, 2085,
 9 2091, 2293, 2303, 2508

10 * * *

11 Section 4. R.S. 22:1657.1, 1860.2, and 1860.3(E) and R.S 40:2870(A)(5)(b) are
 12 hereby repealed.

13 Section 5. Enforcement of the provisions of R.S. 22:1867(A) and 1868.1(A) and R.S.
 14 40:2870(A)(4) as provided for in this Act shall begin on January 1, 2027.

15 Section 6. This Act shall become effective upon signature by the governor or, if not
 16 signed by the governor, upon expiration of the time for bills to become law without signature
 17 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 18 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 19 effective on the day following such approval.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____