

(KEYWORD, SUMMARY, AND DIGEST as amended by Senate committee amendments)

MEDICAID: Provides relative to prescription drug benefits of certain managed care organizations participating in the La. Medicaid coordinated care network program

DIGEST

Proposed law defines "prepaid coordinated care network" as a private entity that contracts with the department to provide Medicaid benefits and services to enrollees of the Medicaid coordinated care program known as "Bayou Health" in exchange for a monthly prepaid capitated amount per member.

Proposed law requires each prepaid coordinated care network to form a pharmaceutical and therapeutics committee which shall develop a drug formulary and preferred drug list for the prepaid coordinated care network. Provides that such committees shall:

- (1) Meet no less frequently than semiannually in Baton Rouge.
- (2) Make such meetings open to the public.
- (3) Allow for public comment at such meetings prior to voting by the committee on any change in the preferred drug list or formulary.

Proposed law requires that all managed care organizations participating in the La. Medicaid program accept, in addition to any currently accepted facsimile and electronic prior authorization forms, a standard prior authorization form, not to exceed two pages, excluding guidelines or instructions, that has been duly promulgated by DHH in accordance with the APA. Proposed law provides a health care provider may submit the prior authorization form electronically if the managed care organization allows for submission of the form in this manner.

Proposed law requires that each managed care organization which utilizes step therapy or fail first protocols comply with the provisions of proposed law.

Proposed law provides that when medications are restricted for use by a managed care organization by a step therapy or fail first protocol, the prescribing physician shall be provided with and have access to a clear and convenient process to expeditiously request an override of such restriction from the managed care organization. Requires the managed care organization to expeditiously grant an override of such restriction under any of the following circumstances:

- (1) The prescribing physician can demonstrate to the managed care organization, based on sound clinical evidence, that the preferred treatment required under step therapy or fail first protocol has been ineffective in the treatment of the Medicaid enrollee's disease or medical condition.
- (2) The prescribing physician can demonstrate to the managed care organization, based on sound clinical evidence, that the preferred treatment required under the step therapy or fail first protocol will be expected to be ineffective based on the known relevant physical or mental characteristics and medical history of the Medicaid enrollee and known characteristics of the drug regimen.
- (3) The prescribing physician can demonstrate to the managed care organization, based on sound clinical evidence, that the preferred treatment required under the step therapy or fail first protocol will cause or will likely cause an adverse reaction or other physical harm to the Medicaid enrollee.

Proposed law provides that the duration of any step therapy or fail first protocol shall not be longer than the duration of action for the medication as described in the pharmacokinetics section of the package insert approved by the United States Food and Drug Administration when such treatment is demonstrated by the prescribing physician to be clinically ineffective.

Proposed law provides that provisions of proposed law shall not apply to any entity that contracts with DHH to provide fiscal intermediary services in processing claims of health care providers.

Effective Jan. 1, 2014.

(Adds R.S. 46:460.31-460.35)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Health and Welfare to the original bill.

1. Deleted provisions creating and specifying functions of a Medicaid Managed Care Pharmaceutical and Therapeutics Committee.
2. Deleted requirement that all managed care organizations provide as a pharmacy benefit the minimum drug pharmacopoeia in conjunction with a prior approval process developed and maintained by the Medicaid Managed Care Pharmaceutical and Therapeutics Committee.
3. Added "prepaid coordinated care network" as a defined term, defining such term as a private entity that contracts with the department to provide Medicaid benefits and services to enrollees of the Medicaid coordinated care program known as "Bayou Health" in exchange for a monthly prepaid capitated amount per member.
4. Added provisions requiring each prepaid coordinated care network to form a pharmaceutical and therapeutics committee which shall develop a drug formulary and preferred drug list for the prepaid coordinated care network. Provided that such committees are subject to the following requirements:
 - (a) Meet no less frequently than semiannually in Baton Rouge.
 - (b) Make such meetings open to the public.
 - (c) Allow for public comment at such meetings prior to voting by the committee on any change in the preferred drug list or formulary.
5. Changed prescribed page length for the prior authorization form provided for in proposed law from one page to two pages.
6. Added an exemption from provisions of proposed law for any entity that contracts with DHH to provide fiscal intermediary services in processing claims of health care providers.
7. Changed effective date of proposed law from date of signature by the governor or lapse of time for gubernatorial action to Jan. 1, 2014.
8. Made technical changes.

House Floor Amendments to the engrossed bill.

1. Made technical change.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Health and Welfare to the reengrossed bill

1. Rewrites the requirements for prior authorization requirements to provide that all managed care organizations accept, in addition to any currently accepted facsimile and electronic prior authorization forms, a standard prior authorization form, not to exceed two pages, excluding guidelines or instructions, that has been duly promulgated by DHH in accordance with the APA and provides a health care provider may submit the prior authorization form electronically if the managed care organization allows for submission of the form in this manner.
2. Rewrites the requirements for the duration of any step therapy or fail first protocol to provide that the duration of any step therapy or fail first protocol will not be longer than the duration of action for the medication as described in the pharmacokinetics section of the package insert approved by USDA when such treatment is demonstrated by the prescribing physician to be clinically ineffective.
3. Changes from "is reasonably expected" to "will be expected" regarding the preferred treatment required under the step therapy or fail first protocol with regard to overrides of restricted medication treatments.