

New 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.

New law requires each prepaid coordinated care network to form a pharmaceutical and therapeutics committee to develop a drug formulary and preferred drug list for the prepaid coordinated care network. Further requires that such committees do all of the following:

- (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.

New 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. New law provides that 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.

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

New 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.

New 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.

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

Effective January 1, 2014.

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