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The original instrument was prepared by Cheryl Horne. The following digest, which does not constitute a part of the legislative instrument, was prepared by Linda Nugent.

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## DIGEST

Mills (SB 410)

Proposed law provides for definitions of:

- (1) Maximum Allowable Cost List
- (2) National Drug Code (NDC)
- (3) Pharmacist
- (4) Pharmacist services
- (5) Pharmacy
- (6) Pharmacy benefits manager
- (7) Pharmacy benefits plan or program

Proposed law allows a pharmacy benefits manager to use the NDC only when the following conditions have been met:

- (1) The prescription drug to which the NDC is assigned is listed as "A" or "B" rated in the most recent version of the FDA's Orange Book.
- (2) The prescription drug to which the NDC is assigned is available for purchase by pharmacies in the state from national or regional wholesalers.
- (3) The prescription drug to which the NDC is assigned is not considered obsolete.

Proposed law requires a pharmacy benefits manager to:

- (1) Provide access to its Maximum Allowable Cost List.
- (2) Update its Maximum Allowable Cost List on a timely basis.
- (3) Provide a process for each pharmacy to review an update to the Maximum Allowable Cost List.

Proposed law requires a pharmacy benefits manager to provide a reasonable administrative

appeal procedure. Permits a pharmacy to file an appeal by following the appeal process in proposed law. Requires the pharmacy benefits manager to respond to a challenge within seven business days after receipt of a challenge.

Proposed law requires a pharmacy benefits manager to perform the following if an appeal is upheld:

- (1) Make the change in the Maximum Allowable Cost List.
- (2) Permit the challenging pharmacy or pharmacist to reverse and rebill the claim.
- (3) Make the change effective for each similarly situated pharmacy.

Proposed law requires a pharmacy benefits manager to provide the challenging pharmacy or pharmacist the NDC number if an appeal is denied.

Proposed law deems a violation of proposed law to be an unfair or deceptive act and practice pursuant to R.S. 22:1961 et seq.

Effective August 1, 2014.

(Adds R.S. 22:1863-1865)

#### Summary of Amendments Adopted by Senate

##### Committee Amendments Proposed by Senate Committee on Insurance to the original bill.

1. Permits a pharmacy to file an appeal within seven business days after the applicable fill date by following the appeal process in proposed law.
2. Provides that a violation of proposed law shall be deemed an unfair or deceptive act and practice pursuant to present law.

##### Senate Floor Amendments to engrossed bill

1. Technical amendments.