

## HOUSE SUMMARY OF SENATE AMENDMENTS

HB 436

2015 Regular Session

Robert Johnson

INSURANCE/HEALTH: Provides for insurance reimbursement of certain provider fees paid by pharmacies

### Synopsis of Senate Amendments

1. Define "department", "legacy Medicaid rate" and "local pharmacy".
2. Authorize a managed care organization to negotiate the ingredient cost reimbursement in its contracts with providers.
3. Require any contract between DHH and a managed care organization that includes provisions for pharmacy reimbursement to provide for a reimbursement dispute process for local pharmacies.
4. Require the reimbursement dispute process to contain certain minimum elements.
5. Prohibit DHH from amending any contract in order to comply with the requirements of proposed law unless the amendment will not increase the actuarially sound rate paid to the managed care organization as of Mar. 1, 2015.
6. Prohibit, after June 15, 2016, a managed care organization from paying a local pharmacy a per-prescription reimbursement at a rate less than the legacy Medicaid rate unless its contract with DHH provides for a reimbursement dispute process.
7. Provide that the full cost of implementing and performing the provisions of proposed law shall be the responsibility of DHH through a reallocation of existing budget resources of the department and not through additional appropriations.

### Digest of Bill as Finally Passed by Senate

Present law authorizes the Dept. of Health and Hospitals (DHH) to impose a fee of up to 10¢ per prescription for prescription services provided by the Medicaid program.

Proposed law retains present law and requires health insurance issuers to reimburse pharmacies or pharmacists for the payment of the fee when the pharmacy or pharmacist makes a claim for reimbursement of the fee.

Proposed law requires the reimbursement of the fee to be made in accordance with the provisions of present law relative to electronic claim submission standards.

Proposed law shall have no effect to the extent that any sums otherwise certifiable by the state as a component of its share of expenditures in the medical assistance program cannot be certified.

Proposed law provides that the failure of a health insurance issuer or its agent to reimburse a pharmacy or pharmacist or his agent shall be an act for which the health insurance issuer or its agent may be sanctioned by the commissioner.

Proposed law authorizes any person sanctioned pursuant to proposed law to demand an administrative hearing.

Proposed law defines "legacy Medicaid rate" as the lesser of the following:

- (1) The published Medicaid fee-for-service reimbursement rate for the combination of the ingredient cost and dispensing fee in use for the current approved Medicaid state plan in effect on the date of service.
- (2) The usual and customary charge the provider most frequently charges the general public for the same drug unless otherwise defined in the current approved Medicaid state plan in effect on the date of service.
- (3) The pharmacy's submitted charge.

Proposed law defines "local pharmacy" as any pharmacy, domiciled in at least one La. parish, that meets both of the following criteria:

- (1) Contracts with the managed care organization or the managed care organization's contractor in its own name or through a pharmacy services administration organization and not under the authority of a group purchasing organization.
- (2) Has fewer than ten retail outlets under its corporate umbrella.

Proposed law authorizes a managed care organization to negotiate the ingredient cost reimbursement in its contracts with providers.

Proposed law requires any contract between DHH and a managed care organization that includes provisions for pharmacy reimbursement to provide for a reimbursement dispute process for local pharmacies.

Proposed law requires the dispute review process to include the following minimal elements:

- (1) Final review authority to be retained by DHH or by a party agreed upon by DHH, the La. Association of Health Plans, and the La. Independent Pharmacies Association.
- (2) An increased reimbursement if there is a finding that a reimbursement is unreasonable.
- (3) A definition of reasonableness, established by DHH, in relation to the contractual rate paid by the department to the managed care organization.

Proposed law prohibits DHH from amending any contract unless the amendment will not increase the actuarially sound rate paid as of Mar. 1, 2015.

Proposed law prohibits a managed care organization, after June 15, 2016, from paying a local pharmacy a per-prescription reimbursement at a rate less than the Medicaid rate unless DHH provides a dispute process.

The full cost for implementing proposed law shall be the responsibility of DHH through allocation of existing budget resources and not additional appropriations.

(Amends R.S. 46:2625(A)(2); Adds R.S. 22:1860.1 and 46:460.36)