

2017 Regular Session

HOUSE BILL NO. 306

BY REPRESENTATIVE JOHNSON

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

MEDICAID: Provides relative to pharmacy reimbursement by managed care organizations

1 AN ACT

2 To amend and reenact R.S. 46:460.36(D) and to repeal R.S. 46:460.36(B), (C), and (E),
3 relative to Medicaid managed care pharmacy reimbursements; to provide for the base
4 of reimbursement for prescription drugs; to repeal provisions regarding ingredient
5 cost reimbursement; to repeal requirements for a dispute process; to repeal cost
6 provisions; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 46:460.36(D) is hereby amended and reenacted to read as follows:

9 §460.36. Pharmacy reimbursement by managed care organizations

10 * * *

11 D. ~~After June 15, 2016, no~~ No managed care organization shall pay a local
12 pharmacy a per-prescription reimbursement at a rate less than the legacy Medicaid
13 rate, ~~unless its contract with the department provides for a reimbursement dispute~~
14 ~~process as described in Subsection C of this Section.~~

15 Section 2. R.S. 46:460.36(B), (C), and (E) are hereby repealed in their entirety.

16 Section 3. This Act shall become effective on July 1, 2017.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 306 Engrossed

2017 Regular Session

Johnson

Abstract: Requires the base of reimbursement by managed care organizations for prescription drugs to be at least equal to the legacy Medicaid rate.

Present law prohibits a managed care organization (MCO) from paying a local pharmacy a per-prescription reimbursement at a rate less than the legacy Medicaid rate unless its contract with the La. Dept. of Health (LDH) provides for a reimbursement dispute process.

Proposed law removes the option to include a reimbursement dispute process to allow a reimbursement rate less than the legacy Medicaid rate.

Present law authorizes an MCO to negotiate the ingredient cost reimbursement in its contracts with providers.

Proposed law repeals present law.

Present law requires any contract between LDH and an MCO that includes provisions for pharmacy reimbursement to provide for a reimbursement dispute process for local pharmacies.

Proposed law repeals present law.

Present law requires the full cost of implementing and performing the provisions of present law to be the responsibility of LDH through a reallocation of existing budget resources and not through additional appropriations.

Proposed law repeals present law.

Effective July 1, 2017.

(Amends R.S. 46:460.36(D); Repeals R.S. 46:460.36(B), (C), and (E))

Summary of Amendments Adopted by House

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

1. Repeal authorization for an MCO to negotiate the ingredient cost reimbursement with providers.
2. Repeal the requirement that a contract between LDH and an MCO provide for a reimbursement dispute process for local pharmacies.
3. Repeal the requirement for the full cost of implementing present law to be the responsibility of LDH through a reallocation of existing budget resources.
4. Change the effective date of the Act from effective upon signature of the governor to July 1, 2017.
5. Make technical changes.