

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 283** SLS 18RS 698

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action: **w/ HSE FLOOR AMD**

Proposed Amd.:

Sub. Bill For.:

Date: May 15, 2018	9:15 AM	Author: MILLS
Dept./Agy.: Insurance		Analyst: Willis Brewer
Subject: Provides relative to pharmacy benefit managers. (8/1/18)		

HEALTH/ACC INSURANCE REF NO IMPACT See Note
Provides relative to pharmacy benefit managers. (8/1/18)

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Present law requires pharmacy benefit managers to be licensed by Louisiana Department of Insurance (LDI). Proposed law requires LDI to have a dedicated location on their website to publish pharmacy benefit manager information, including the formulary and timely notification of formulary changes by each licensed pharmacy benefit manager. Proposed law requires pharmacy benefit managers beginning on 6/1/20 to issue an annual transparency report that discloses aggregate data on rebates received from drug manufacturers, administrative fees, and aggregate rebates received that did not pass through to the health benefit plan or insurer. Proposed law requires LDI to publish the transparency report within sixty days of receipt from the pharmacy benefit manager. Proposed law requires a pharmaceutical drug manufacturer to notify the commissioner of insurance by electronic mail of an increase in wholesale acquisition cost of fifty percent or greater for a drug with a wholesale acquisition cost of one hundred dollars or more for a thirty-day supply not more than 30 days after the price increase. Proposed law provides for an exception to the Public Records Law.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed legislation will have no impact to the Louisiana Department of Insurance (LDI) to publish information on its website. Any technical changes to LDI's website necessary to comply with this measure are anticipated to be performed with the LDI's current maintenance contract. This measure will require pharmacy benefit managers to disclose to LDI aggregate data concerning rebates received from drug manufacturers, administrative fees, and an increase in wholesale acquisition cost of fifty percent or greater for a drug with a wholesale acquisition cost of one hundred dollars or more.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

Evan Brasseaux
Staff Director