AN ACT

To amend and reenact the introductory paragraph of R.S. 46:153.3(B)(2)(a) and to enact R.S. 46:450.7, relative to the Medicaid prescription drug benefit program; to provide for the administration of the Medicaid prescription drug benefit program; to provide for reporting; to provide for a single preferred drug list; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. The introductory paragraph of R.S. 46:153.3(B)(2)(a) is hereby amended and reenacted and R.S. 46:450.7 is hereby enacted to read as follows:

§153.3. Medical vendor reimbursements; allowable restrictions; peer-based prescribing and dispensing practice patterns; Medicaid Pharmaceutical and Therapeutics Committee

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B.(1) * * *

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(2)(a) The department may shall establish a single preferred drug list that utilizes a prior approval process or any other process or combination of processes that prove to be cost-effective in the medical assistance program. The single preferred drug list shall include all covered therapeutic drug classes that are subject to prior authorization. At a minimum any prior approval process shall meet all of the following criteria:

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§450.7. Medicaid prescription drug benefit program
A. (1) The Louisiana Department of Health, referred to hereafter in this Section as the "department", shall administer the Medicaid prescription drug benefit program in accordance with the authority provided for in this Section.

(2) The department is authorized to remove pharmacy services from Medicaid managed care organization contracts and assume direct responsibility for all Louisiana Medicaid pharmacy services. To comply with this Paragraph, the department may utilize national best practices and techniques to assist with member medication adherence and to control costs, including but not limited to implementation of a preferred drug list in accordance with R.S. 46:153.3, utilization of medication therapy management in accordance with R.S. 46:153.3.1, and other clinically effective cost-efficient options allowed by state and federal law.

(3) If the department does not exercise the authority provided for in Paragraph (2) of this Subsection and administers the Medicaid pharmacy program through use of one or more Medicaid managed care organization pharmacy benefit managers, the pharmacy benefit manager shall be reimbursed a transaction fee only and shall not retain any portion of spread pricing or state supplemental rebates, as set forth in R.S. 39:1648. In addition, a Medicaid managed care organization or a Medicaid managed care organization pharmacy benefit manager shall not do any of the following:

(a) Buy, sell, transfer, or provide Medicaid recipient personal healthcare or contact information to any other party, including subsidiaries of the pharmacy benefit manager, for any purpose unless specifically authorized to do so by the department, and under no circumstance may such activity be for the purpose of patient steering. For purposes of this Subparagraph, "patient steering" means encouraging or enticing of any Medicaid recipient to switch to any pharmacy, including a mail-order pharmacy, through unsolicited advice or mass-marketing directed at a Medicaid recipient by a pharmacy benefit manager, including any employees, affiliated providers, agents, or contractors of the pharmacy benefit manager, that is intended to influence or that can
reasonably be concluded to influence the Medicaid recipient to change pharmacies.

(b) Deny any Louisiana-licensed pharmacy or Louisiana-licensed pharmacist the right to be a participating provider in the managed care organization pharmacy benefit manager's provider network if the pharmacy or pharmacist meets all requirements of participation in the state Medicaid program.

(c) Deduct healthcare provider fees due to the state pursuant to R.S. 46:2625 from any amount due as reimbursement to a pharmacist or pharmacy.

(d) Deduct sales taxes owed to any taxing authority imposing the sales tax pursuant to R.S. 47:337.11.1 from any amount due as reimbursement to a pharmacist or pharmacy.

B. The department has a duty to administer the Medicaid prescription drug benefit program in the most clinically effective and cost-efficient manner possible. To ensure compliance with this duty, the department shall develop a comprehensive plan to administer the Medicaid prescription drug program and submit the plan to the Senate Committee on Health and Welfare, Senate Committee on Finance, House Committee on Health and Welfare, and House Committee on Appropriations on or before February 1, 2020. At a minimum, the comprehensive plan shall include the following:

(1) Best practices and clinical and cost outcomes from other states that have removed pharmacy services from Medicaid managed care organization contracts and assumed direct administrative responsibility.

(2) Managed care organization portal access to ensure coordination of patient care if pharmacy services are removed from Medicaid managed care organization contracts.

(3) Maximum rebate utilization through participation in the most effective bulk purchasing multi-state buying pool.

(4) Medicaid managed care organization use of a pharmacy benefit manager for Medicaid prescription drug benefit program administration if the
pharmacy benefit manager is part of a larger company that also owns retail pharmacies.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: ____________

Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions.