

2021 Regular Session

SENATE BILL NO. 94

BY SENATOR HARRIS

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

INSURERS. Provides relative to insurance cost-sharing practices. (gov sig)

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AN ACT

To amend and reenact R.S. 22:1641(8) and to enact R.S. 22:976.1, relative to prohibitions on certain health insurance cost-sharing practices; to provide for definitions; to provide for fairness in enrollee cost-sharing; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1641(8) is hereby amended and reenacted and R.S. 22:976.1 is enacted to read as follows:

§1641. Definitions

As used in this Part, unless the context requires otherwise, the following definitions shall be applicable:

* * *

(8) "Pharmacy benefit manager" means a person, business, or other entity and any wholly or partially owned or controlled subsidiary of such entity that either directly or through an intermediary manages or administers the prescription drug ~~or~~ and device portion of one or more health benefit plans on behalf of a third party, including insurers, plan sponsors, insurance companies, unions, and health maintenance organizations, in accordance with a pharmacy benefit management

1 plan. The management or administration of a plan may include but is not
2 limited to review, processing of drug prior authorization requests, adjudication
3 of appeals and grievances related to the prescription drug benefit, contracting
4 with network pharmacies, and controlling the cost of covered prescription
5 drugs.

6 * * *

7 **§976.1. Fairness in enrollee cost-sharing**

8 **A. As used in this Section the following definitions shall apply:**

9 **(1) "Cost-sharing requirement" means any copayment, coinsurance,**
10 **deductible, or annual limitation on cost-sharing including but not limited to a**
11 **limitation subject to 42 U.S.C. 18022(c) and 300gg-6(b), required by or on**
12 **behalf of an enrollee in order to receive a specific health care service, including**
13 **a prescription drug, covered by a health benefit plan.**

14 **(2) "Enrollee" means an individual who is enrolled or insured by a**
15 **health insurance issuer for health care services.**

16 **(3) "Health benefit plan" means health care services provided directly**
17 **through insurance, reimbursement, or other means, and including items and**
18 **services paid for as health care services under any hospital or medical service**
19 **policy or certificate, hospital or medical service plan contract, preferred**
20 **provider organization contract, or health maintenance organization contract**
21 **offered by a health insurance issuer.**

22 **(4) "Health care services" means items or services furnished to any**
23 **individual for the purpose of preventing, alleviating, curing, or healing human**
24 **illness, injury, mental, or physical disability.**

25 **(5) "Health insurance issuer" means any entity that offers health**
26 **insurance coverage through a health benefit plan, policy, or certificate of**
27 **insurance subject to state law that regulates the business of insurance. "Health**
28 **insurance issuer" includes a health maintenance organization as defined and**
29 **licensed pursuant to Subpart I of Part I of Chapter 2 of this Title and the office**

1 of group benefits as created pursuant to Chapter 12 of Title 42 of the Louisiana
 2 Revised Statutes of 1950.

3 (6) "Person" means a natural person, corporation, mutual company,
 4 unincorporated association, partnership, joint venture, limited liability
 5 company, trust, estate, foundation, not-for-profit corporation, unincorporated
 6 organization, government or governmental subdivision, or agency.

7 B. When calculating an enrollee's contribution to any applicable
 8 cost-sharing requirement, a health insurance issuer shall include any
 9 cost-sharing amounts paid by the enrollee or on behalf of the enrollee by
 10 another person.

11 C. In implementing the requirements of this Section, the state shall
 12 regulate a health insurance issuer only to the extent permissible under
 13 applicable law.

14 D. The commissioner of insurance may promulgate rules and regulations
 15 necessary to implement this Section.

16 Section 2. This Act shall become effective upon signature by the governor or, if not
 17 signed by the governor, upon expiration of the time for bills to become law without signature
 18 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 19 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 20 effective on the day following such approval.

The original instrument was prepared by Cheryl Cooper. The following digest, which does not constitute a part of the legislative instrument, was prepared by Thomas L. Tyler.

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Present law provides for regulations and definitions for third-party administrators, defining "pharmacy benefit manager" as a person, business, or other entity and any wholly or partially owned or controlled subsidiary of the entity that administers a pharmacy benefit management plan.

Proposed law retains this provision but allows administrator either directly or through an intermediary manager.

Proposed law retains present law and specifies that for the definition of "pharmacy benefit manager", the management or administration of a benefit plan may include review,

processing of drug prior authorization requests, adjudication of appeals and grievances related to the prescription drug benefit, contracting with network pharmacies, and controlling the cost of covered prescription drugs.

Proposed law provides for fairness in enrollee cost-sharing. Defines terms for purposes of proposed law, including "cost-sharing requirement", "enrollee", "health benefit plan", "health care services", "health insurance issuer", and "person".

Proposed law provides that when calculating an enrollee's contribution to any applicable cost-sharing requirement, a health insurance issuer shall include any cost sharing amounts paid by the enrollee or on behalf of the enrollee by another person.

Proposed law provides that in implementing the requirements of proposed law, the state shall regulate a health insurance issuer only to the extent permissible under applicable law. Allows the commissioner of insurance to promulgate rules and regulations necessary to implement proposed law.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 22:1641(8); adds R.S. 22:976.1)

Summary of Amendments Adopted by Senate

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

1. Technical amendment.