
The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Brandi Cannon.

SB 65 Original

DIGEST
2023 Regular Session

Fred Mills

Present law provides that the division of administration may procure pharmacy benefit manager services for the administration of benefits provided by the Office of Group Benefits through the reverse auction process and establishes the standards and procedures. Proposed law revises present law to require, rather than authorize, the division of administration to procure pharmacy benefit manager services for the administration of benefits provided by the Office of Group Benefits through the reverse auction process.

Present law provides for the mandatory content of contracts for PBM services obtained through reverse auction including the minimum capabilities of the technology platform, the required related services from the technology platform provider, and the time limit for procuring the technology platform and related technology provider. Proposed law updates the contract minimum requirements.

Present law provides that the division of administration shall not award a contract for the technology platform and related provider services to a PBM and prohibits the vendor from outsourcing any part of the reverse auction or review of invoiced drug claims. Proposed law retains present law and further prohibits the division from awarding the contract to a vendor that receives remuneration from a PBM for aggregating clients into a contractual relationship with a PBM or has earned revenues in the past for providing consulting services to the division in support of procurement of PBM services through a conventional or nonreverse auction RFP process.

Present law provides that the division of administration may perform a market check for providing PBM services during the term of the existing PBM services contract, which shall be a technology-driven evaluation of the incumbent PBM's prescription drug pricing. Proposed law requires the division to perform a market check and provides that, if the incumbent PBM fails to meet comparative benchmark pricing, the division of administration may terminate the contract and conduct a new PBM reverse auction.

Effective August 1, 2023.

(Amends R.S. 39:1600.1(C)(6), (D)(1), 1600.1(D)(2)(intro para), 1600.1(D)(2)(b), (3), (4), (6), (9), and (11)(a) and R.S. 42:802(B)(12))