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## DIGEST

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HB 704 Original

2024 Regular Session

Chassion

**Abstract:** Provides a quality incentive program for pharmacy benefit managers.

Present law provides for the licensing of pharmacy benefit managers (PBMs) by the commissioner of insurance (commissioner). Proposed law retains present law and requires each PBM licensed by the commissioner to develop a program in consultation with a plan sponsor to provide incentive payments to eligible independent network pharmacies for meeting benchmarks or complying with strategies aimed at improving the health of La. residents covered by the pharmacy benefit manager.

Proposed law provides that the quality incentive program should focus on the health concerns most affecting La. residents, may be designed in consultation with La. colleges of pharmacy, and may reflect the unique needs of the state as designated by each of the nine La. Dept. of Health regions.

Proposed law requires, on or before Oct. first of each year, a PBM to report to the commissioner the details of its program and provides for the minimum content of the report. Further requires the program to be implemented on the following Jan. 1, 2025.

Proposed law requires, on or before April first of the following year, a PBM to report to the commissioner the results of its quality incentive criteria from the previous calendar year. Proposed law further provides for the minimum content of the report.

Proposed law provides that the PBM quality incentive program is strictly voluntary and prohibits an independent network pharmacy from being penalized for declining to participate.

Proposed law provides for additional parameters of the PBM quality incentive program, including the use of education and training programs.

Present law exempts Medicaid managed care organizations from certain provisions of the La. Insurance Code. Proposed law retains present law and provides that Medicaid managed care organization PBMs are exempt from proposed law.

Proposed law requires exempt PBMs to submit a notice of exemption to the commissioner and provides that the PBM is no longer exempt if it renders services to La. residents who are not enrolled in the Medicaid program.

Proposed law does not expand the scope of practice of a participating pharmacist.

Proposed law defines "independent network pharmacy" as a pharmacy operating within the state which is a member of a pharmacy benefit manager's network, considered to be in good standing by the pharmacy benefit manager, and under common ownership with not more than two other pharmacies.

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

(Adds R.S. 22:1657.2)