

2025 Regular Session

HOUSE BILL NO. 264

BY REPRESENTATIVES ECHOLS, BILLINGS, FARNUM, SCHAMERHORN, AND
WYBLE

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

INSURANCE/HEALTH: Provides for transparency and compensation practices relative to
pharmacy benefit managers

1 AN ACT

2 To amend and reenact R.S. 22:1657.1(A) and (B)(introductory paragraph) and (4) and R.S.
3 44:4.1(B)(11) and to enact R.S. 22:1657.1(D) and 1860.3(F), relative to pharmacy
4 benefit managers; to modify the definition of rebates; to provide for reimbursement
5 of pharmacists and pharmacies; to authorize the commissioner of insurance's
6 examination of records and compensation programs; to provide for public records
7 exceptions; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 22:1657.1(A) and (B)(introductory paragraph) and (4) are hereby
10 amended and reenacted and R.S. 22:1657.1(D) and 1860.3(F) are hereby enacted to read as
11 follows:

12 §1657.1. Pharmacy benefit manager rebate transparency report; examination by
13 commissioner

14 A. Each pharmacy benefit manager licensed by the commissioner ~~of~~
15 ~~insurance~~ shall submit an annual transparency report as a condition of maintaining
16 licensure.

17 B. As used in this Section, the following definitions ~~shall~~ apply:

18 * * *

1 (4) "~~Rebates~~" ~~means all rebates, discounts, and other price concessions,~~
2 ~~based on utilization of a prescription drug and paid by the manufacturer or other~~
3 ~~party other than an enrollee, directly or indirectly, to the pharmacy benefit manager~~
4 ~~after the claim has been adjudicated at the pharmacy. Rebates shall include a~~
5 ~~reasonable estimate of any volume-based discount or other discounts~~ mean either of
6 the following:

7 (a) Negotiated price concessions such as base price concessions, including
8 those labeled as a rebate or otherwise; reasonable estimates of any price protection
9 rebates; and performance-based price concessions that may accrue directly or
10 indirectly to the health insurance issuer, plan, or other party on behalf of the health
11 insurance issuer or plan, including a pharmacy benefit manager, during the coverage
12 year. These concessions may come from a pharmaceutical manufacturer, dispensing
13 pharmacy, or other party in connection with the dispensing or administration of a
14 prescription drug.

15 (b) Reasonable estimates of any negotiated price concessions, fees, and other
16 administrative costs that are passed through, or are reasonably anticipated to be
17 passed through, to the health insurance issuer or plan that serve to reduce the health
18 insurance issuer's or plan's liabilities for a prescription drug.

19 * * *

20 D.(1) The commissioner may examine the books or records of a pharmacy
21 benefit manager to determine the accuracy of the transparency report; the individual
22 and aggregate amount paid by a health insurance issuer to the pharmacy benefit
23 manager for drugs, devices, or services provided by a pharmacist or pharmacy; and
24 the individual and aggregate amount a pharmacy benefit manger paid to a pharmacist
25 or pharmacy for drugs, devices, or services.

26 (2) This Section does not limit the power of the commissioner to examine
27 or audit the books or records of a pharmacy benefit manager.

28 * * *

§1860.3. Reimbursements; review by commissioner; exceptions

* * *

F. (1) The commissioner may review and approve the compensation program of a pharmacy benefit manager or person acting on behalf of a pharmacy benefit manager with a health insurance issuer, pharmacy services administrative organization, pharmacy, or pharmacist, or any person acting on their behalf, to ensure that the reimbursement for drugs, devices, and services paid to the pharmacist or pharmacy is fair and reasonable.

(2) Information provided to the commissioner pursuant to Paragraph (1) of this Subsection and specifically identified as confidential by the pharmacy benefit manager, including the terms and conditions of any contract and such other proprietary information, shall be confidential and shall not be subject to disclosure; however, the commissioner may disclose such confidential information to insurance departments of other states or for the purposes of any adjudicatory hearing or court proceeding invoked by the commissioner in accordance with the provisions of this Part.

Section 2. R.S. 44:4.1(B)(11) is hereby amended and reenacted to read as follows:

§4.1. Exceptions

* * *

B. The legislature further recognizes that there exist exceptions, exemptions, and limitations to the laws pertaining to public records throughout the revised statutes and codes of this state. Therefore, the following exceptions, exemptions, and limitations are hereby continued in effect by incorporation into this Chapter by citation:

* * *

(11) R.S. 22:2, 14, 31, 42.1, 88, 244, 263, 265, 461, 550.7, 571, 572, 572.1, 572.2, 574, 601.3, 618, 639, 691.4, 691.5, 691.6, 691.7, 691.8, 691.9, 691.9.1, 691.10, 691.38, 691.56, 732, 752, 753, 771, 834, 972(D), 976, 1008, 1019.2, 1203, 1460, 1464, 1466, 1483.1, 1488, 1546, 1559, 1566(D), 1644, 1656, 1657.1, 1660.7,

11723, 1796, 1801, 1808.3, 1860.3, 1927, 1929, 1983, 1984, 2036, 2045, 2056, 2085,

22091, 2293, 2303, 2508

3* * *

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 264 Reengrossed2025 Regular SessionEchols

Abstract: Provides for transparency and compensation practices relative to pharmacy benefit managers.

Proposed law defines the term "rebate".

Proposed law authorizes the commissioner to examine the books, records, and reports of a pharmacy benefit manager relative to rebate transparency to ensure that reimbursements are fair and reasonable. Proposed law authorizes the commissioner to review and approve the compensation program of a pharmacy benefit manager or person acting on behalf of pharmacy benefit manager to ensure that reimbursements are fair and reasonable.

Proposed law provides that information submitted by a pharmacy benefit manager and identified by the pharmacy benefit manager as confidential is confidential and not subject to disclosure. However, the commissioner may disclose confidential information to insurance departments of other states or for the purposes of any adjudicatory hearing or court proceeding invoked by the commissioner.

(Amends R.S. 22:1657.1(A) and (B)(intro. para.) and (4) and R.S. 44:4.1(B)(11); Adds R.S. 22:1657.1(D) and 1860.3(F))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the original bill:

1. Redefine the term "rebate".
2. Authorize the commissioner to examine books, records, and reports of pharmacy benefit managers (PBMs) and review and approve the compensation programs of PBMs to ensure that reimbursements paid to pharmacists or pharmacies are fair and reasonable.
3. Provide that information submitted by PBMs to the commissioner is confidential under the Public Records Law; however, the commissioner is authorized to disclose confidential information to insurance departments in other states or for the purposes of certain hearings and proceedings.
4. Make technical changes.

The Committee Amendments Proposed by House Committee on House and Governmental Affairs to the engrossed bill:

1. Revise language establishing the confidentiality of information submitted by PBMs.