



LEGISLATIVE FISCAL OFFICE  
Fiscal Note

Fiscal Note On: **HB 264** HLS 25RS 72

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> May 22, 2025	1:23 PM	<b>Author:</b> ECHOLS
<b>Dept./Agy.:</b> Insurance		
<b>Subject:</b> Pharmacy Benefit Manager transparency and compensation		<b>Analyst:</b> Anthony Shamis

INSURANCE/HEALTHRE +\$90,000 SG EX See NotePage 1 of 1

Provides for transparency and compensation practices relative to pharmacy benefit managers

Proposed law authorizes the Commissioner of Insurance to examine the books or records of a pharmacy benefit manager (PBM) to determine the accuracy of its annual transparency report; the individual and aggregate amount paid by a health insurance issuer to a PBM for drugs, devices or services provided by a pharmacist or pharmacy; and the individual and aggregate amount a PBM paid to a pharmacist or pharmacy for drugs, devices, or services.

Proposed law provides that the commissioner may review and approve the compensation program of a PBM or person acting on behalf of a PBM with a health insurance issuer, pharmacy services administrative organization, pharmacy, or pharmacist, or any person acting on their behalf, to ensure that reimbursement for drugs, devices, and services paid to the pharmacist or pharmacy is fair and reasonable.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$450,000
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$450,000

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law is anticipated to increase professional services contract expenditures by \$90,000 within the LA Department of Insurance (LDI) in FY 26, associated with the examination of PBM rebate transparency reports for accuracy, as well as review and approval of a PBM’s compensation program to ensure that reimbursement for drugs, devices, and services paid to a pharmacist or pharmacy is fair and reasonable.

Information provided by LDI indicates that review and approval of PBM compensation programs is a new function, and that they do not have adequate staff or technical knowledge to perform the reviews within their current structure. Based on discussions between LDI and contractors doing similar work, they can implement a process to review several agreements between PBMs and health plans, pharmacies, and Pharmacy Services Administrative Organizations (PSAOs) each year through a contract and will not require additional staff.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate

Dual Referral Rules

House

- ☐ 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
- ☐ 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}
- ☐ 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
- ☐ 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}



Patrice Thomas  
Deputy Fiscal Officer