

2026 Regular Session

HOUSE BILL NO. 870

BY REPRESENTATIVE TURNER

INSURANCE/HEALTH: Provides relative to formulary placement and cost-sharing requirements for certain generic drugs and biosimilars

1 AN ACT

2 To enact R.S. 22:1060.9, relative to health insurance; to establish requirements for
3 formulary placement and cost-sharing obligations for specific generic drugs and
4 biosimilars; to prohibit certain utilization management practices; to provide
5 definitions; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:1060.9 is hereby enacted to read as follows:

8 §1060.9. Formulary placement; coverage requirements for certain generic drugs and
9 biosimilars

10 A. For purposes of this Section, the following terms have the meanings
11 ascribed to them in this Subsection:

12 (1) "Biosimilar" means a biological product that is licensed by the United
13 States Food and Drug Administration as being highly similar to a reference product,
14 with only minor differences in clinically inactive components, and is marketed
15 pursuant to such licensure, ensuring there are no clinically meaningful differences
16 in purity, potency, or safety between the two products.

17 (2) "Generic drug" means a drug that contains the same active ingredient
18 formulation as a brand name drug and has been approved by the United States Food
19 and Drug Administration as a generic version of a reference listed drug, and is
20 marketed pursuant to such approval.

1 (3) "Reference listed drug" means an approved drug product used as a
2 standard for comparison with new generic versions to demonstrate bioequivalence.
3 The drug product is designated by the United States Food and Drug Administration
4 as the benchmark against which generic drugs are evaluated.

5 (4) "Reference product" means the biological product that has been licensed
6 by the United States Food and Drug Administration and serves as the basis for the
7 evaluation of a biosimilar.

8 (5) "Wholesale acquisition cost" means the manufacturer's list price for a
9 drug or biological product, as defined in 42 U.S.C. 1395w-3a.

10 B. If a generic drug is approved and marketed pursuant to Paragraph (A)(1)
11 of this Section, and has a wholesale acquisition cost that is lower than the wholesale
12 acquisition cost of its reference listed drug on the generic drug's initial date of
13 marketing, a health insurance issuer that provides coverage for the reference listed
14 drug on that date shall do all of the following:

15 (a) Immediately make the generic drug available on the plan formulary on
16 a tier with more favorable cost sharing, including actual out-of-pocket costs, than the
17 cost sharing applicable to the reference listed drug.

18 (b) Not impose prior authorization, step therapy, or any other limitation on
19 coverage of the generic drug for which formulary placement is required by this
20 Paragraph.

21 (c) Not impose any restriction on the pharmacy through which an enrollee
22 may obtain the generic drug that makes it more difficult for an enrollee to obtain
23 coverage of or access to the generic drug than the reference listed drug.

24 (2) The requirements of this Subsection shall remain in effect if the
25 wholesale acquisition cost of the generic drug remains lower than the wholesale
26 acquisition cost of the reference listed drug.

27 C. If a biosimilar is licensed and marketed pursuant to Paragraph (A)(3) of
28 this Section and has a wholesale acquisition cost that is lower than the wholesale
29 acquisition cost of its reference product on the biosimilar's initial date of marketing,

1 a health insurance issuer that provides coverage for the reference product on that date

2 shall do all of the following:

3 (a) Immediately make at least one biosimilar available on the plan formulary
4 on a tier with more favorable cost sharing, including actual out-of-pocket costs, than
5 the cost sharing applicable to the reference product.

6 (b) Not impose prior authorization, step therapy, or any other limitation on
7 coverage of the biosimilar for which formulary placement is required by this
8 Paragraph.

9 (c) Not impose any restriction on the pharmacy through which an enrollee
10 may obtain the biosimilar that makes it more difficult for an enrollee to obtain
11 coverage of or access to the biosimilar than to the reference product.

12 (2) The requirements of this Subsection shall remain in effect if the
13 wholesale acquisition cost of the biosimilar remains lower than the wholesale
14 acquisition cost of the reference product.

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 870 Original

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Turner

Abstract: Requires health insurance issuers to provide favorable formulary placement and prohibits the implementation of utilization management barriers for specific generic drugs and biosimilars with lower wholesale acquisition costs than their corresponding reference products.

Proposed law defines "biosimilar," "generic drug," "reference listed drug," "reference product," and "wholesale acquisition cost."

Proposed law mandates that health insurance issuers providing coverage for a reference listed drug must immediately include a newly marketed generic drug on the plan formulary with more favorable cost-sharing arrangements, provided that the wholesale acquisition cost of the generic drug is lower than that of the reference listed drug at the time of the generic drug's initial marketing date.

Proposed law prohibits prior authorization, step therapy, or any other restrictions that would make accessing the generic drug more challenging than accessing the reference listed drug. Proposed law stipulates preventing any limitations on the pharmacies through which an enrollee can obtain the generic drug. Proposed law remains in effect as long as the wholesale acquisition cost of the generic drug remains lower than that of the reference listed drug.

Proposed law requires that health insurance issuers providing coverage for a reference product must immediately include at least one biosimilar on the formulary with more favorable cost-sharing when the biosimilar's wholesale acquisition cost is lower than that of the reference product at its initial marketing date. Similar to the provisions for generics, proposed law prohibits prior authorization, step therapy, or limitations that hinder access to the biosimilar compared to the reference product, along with restrictions on the pharmacies that can dispense the biosimilar. Proposed law remains long as the biosimilar's wholesale acquisition cost remains lower than that of the reference product.

(Adds R.S. 22:1060.9)