

2026 Regular Session

SENATE BILL NO. 377

BY SENATOR HARRIS

HEALTH/ACC INSURANCE. Provides relative to pharmacy benefit managers. (gov sig)

1 AN ACT

2 To enact R.S. 22:1657.1 and to repeal R.S. 22:1856(F), relative to pharmacy benefit
3 managers; to provide for PBM compensation; to provide for definitions; to provide
4 for audits of PBMs; to provide for PBM contract and other requirements; to provide
5 for an effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:1657.1 is hereby enacted to read as follows:

8 **§1657.1. Compensation; audits; contract and other requirements**

9 **A. As used in this Section:**

10 **(1) "Health plan" has the same meaning as the term is defined in R.S.**

11 **40:2863.**

12 **(2) "Insurer" means any health insurance issuer that is subject to state**

13 **law regulating insurance and offers health insurance coverage, as defined in 42**

14 **U.S.C. § 300gg-91, or any state or local governmental employer plan.**

15 **(3) "Person" includes a natural person, corporation, mutual company,**

16 **unincorporated association, partnership, joint venture, limited liability**

17 **company, trust, estate, foundation, not-for-profit corporation, unincorporated**

1 organization, government, or governmental subdivision or agency.

2 (4) "Pharmacy benefit management fee" means a fee that covers the cost
3 of providing one or more pharmacy benefit management services and that does
4 not exceed the value of the service or services actually performed by the
5 pharmacy benefit manager.

6 (5) "Pharmacy benefit management service" means:

7 (a) Negotiating the price of prescription drugs, including negotiating and
8 contracting for direct or indirect rebates, discounts, or other price concessions.

9 (b) Managing any aspect of a prescription drug benefit, including but not
10 limited to the processing and payment of claims for prescription drugs, the
11 performance of drug utilization review, the processing of drug prior
12 authorization requests, the adjudication of appeals or grievances related to the
13 prescription drug benefit, contracting with network pharmacies, controlling the
14 cost of covered prescription drugs, managing or providing data relating to the
15 prescription drug benefit, or the provision of services related thereto.

16 (c) Performing any administrative, managerial, clinical, pricing,
17 financial, reimbursement, data administration or reporting, or billing service.

18 (d) Such other services as the commissioner may define in regulation.

19 (6) "Pharmacy benefit manager" has the same meaning as the term
20 defined in R.S. 22:1641 and includes any person, either directly or indirectly,
21 that provides one or more pharmacy benefit management services on behalf of
22 an insurer or health plan, and any agent, contractor, intermediary, affiliate,
23 subsidiary, or related entity of such person who facilitates, provides, directs, or
24 oversees the provision of the pharmacy benefit management services.

25 (7) "Rebate" means:

26 (a) Negotiated price concessions including but not limited to base price
27 concessions, whether described as a rebate or otherwise and reasonable
28 estimates of any price protection rebates and performance-based price
29 concessions that may accrue directly or indirectly to the insurer or health plan,

1 or other party on behalf of the insurer or health plan, including a pharmacy
2 benefit manager, during the coverage year from a manufacturer, dispensing
3 pharmacy, or other party in connection with the dispensing or administration
4 of a prescription drug.

5 (b) Reasonable estimates of any negotiated price concessions, fees, and
6 other administrative costs that are passed through, or are reasonably
7 anticipated to be passed through, to the insurer or health plan and serve to
8 reduce the insurer or health plan's liabilities for a prescription drug.

9 (8) "Related entity" means:

10 (a) Any entity, whether foreign or domestic, that is a member of any
11 controlled group of corporations as defined in section 1563(a) of the Internal
12 Revenue Code, except that fifty percent shall be substituted for eighty percent
13 wherever the latter percentage appears in the code of which a pharmacy benefit
14 manager is a member.

15 (b) Any of the following persons or entities that are treated as a related
16 entity to the extent provided in rules adopted by the commissioner:

17 (i) A person other than a corporation that is treated under the rules as
18 a related entity of a pharmacy benefit manager.

19 (ii) A person or entity that is treated under the rules as affiliated with a
20 pharmacy benefit manager in cases where the pharmacy benefit manager is a
21 person other than a corporation.

22 (9) "Unaffiliated pharmacy" means any dispensing pharmacy that is not
23 fractionally or wholly owned by, or a subsidiary or an affiliate of, a pharmacy
24 benefit manager.

25 B. PBM Compensation

26 (1) A pharmacy benefit manager may negotiate but not retain rebates
27 and fees, and may only derive income from pharmacy benefit management fees
28 for pharmacy benefit management services provided to an insurer or health
29 plan in this state. The amount of any pharmacy benefit management fees shall

1 be set forth in the agreement between the pharmacy benefit manager and the
2 insurer or health plan.

3 (2) Pharmacy benefit management fees charged by or paid to a
4 pharmacy benefit manager by an insurer or health plan shall not be directly or
5 indirectly based or contingent upon:

6 (a) The acquisition cost or any other price metric of a drug.

7 (b) The amount of savings, rebates, or other fees charged, realized, or
8 collected by or generated based on the activity of the pharmacy benefit
9 manager.

10 (c) The amount of premiums, deductibles, or other cost-sharing or fees
11 charged, realized, or collected by the pharmacy benefit manager from patients
12 or other persons on behalf of a patient.

13 (3) Annually by December thirty-first, each pharmacy benefit manager
14 operating in the state shall certify to the commissioner of insurance that it has
15 fully and completely complied with the requirements of this Subsection
16 throughout the prior calendar year. The certification shall be signed by the chief
17 executive officer or chief financial officer of the pharmacy benefit manager.

18 C. PBM Audits

19 (1) The commissioner and any insurer or health plan contracted with a
20 pharmacy benefit manager holding a license issued by the commissioner of
21 insurance may audit the pharmacy benefit manager once per calendar year.
22 This audit right is in addition to, and shall not be construed to limit, any other
23 audit rights authorized by law or contract. As part of any audit, the
24 commissioner of insurance, insurer, or health plan may request information
25 including but not limited to the following:

26 (a) All reimbursement paid to retail pharmacies, on a claim level, for all
27 customers of the pharmacy benefit manager in the state, including drug-specific
28 reimbursement, dispensing fees, all rebates, other fees, ancillary charges,
29 clawbacks, or adjustments to reimbursement.

1 **(b) Any difference in reimbursement paid to affiliated pharmacies and**
2 **unaffiliated pharmacies, including differences in reimbursed ingredient costs**
3 **and dispensing fees.**

4 **(c) Historical claims data including ingredient cost, quantity, dispensing**
5 **fee, sales tax, usual and customary price, channel as either mail or retail,**
6 **insurer or health plan paid amount, days' supply, the amount paid by the**
7 **covered individual, formulary tier, acquisition cost, and any administrative fee**
8 **associated with the claim, as applicable.**

9 **(d) Aggregate rebate amounts received directly or indirectly from**
10 **manufacturers including from any other entity affiliated with or related to the**
11 **pharmacy benefit manager that negotiates or contracts with manufacturers,**
12 **such as group purchasing organizations and rebate aggregators, by calendar**
13 **quarter.**

14 **(2) The pharmacy benefit manager shall provide information pursuant**
15 **to Paragraph (1) of this Subsection within thirty days of its receipt of any**
16 **request from the commissioner of insurance, insurer, or health plan.**

17 **(3) The commissioner of insurance may dictate the form in which the**
18 **pharmacy benefit manager will provide information in response to an audit**
19 **under Paragraph (1) of this Subsection.**

20 **(4) The pharmacy benefit manager shall certify that all information**
21 **submitted to the commissioner or any insurer or health plan in accordance with**
22 **this Subsection is accurate and complete in all material respects. The**
23 **certification shall be signed by the chief executive officer or chief financial**
24 **officer of the pharmacy benefit manager.**

25 **(5) The commissioner and any insurer or health plan contracted with a**
26 **pharmacy benefit manager holding a license issued by the commissioner shall**
27 **not directly or indirectly publish or otherwise disclose any confidential,**
28 **proprietary information, including but not limited to any information that**
29 **would reveal the identity of a specific health plan or manufacturer, the price**

1 charged for a specific drug or class of drugs, for the amount of any rebates
2 provided for a specific drug or class of drugs, or that would otherwise have the
3 potential to compromise the financial, competitive, or proprietary nature of the
4 information. Any such information shall be protected from disclosure as
5 confidential and proprietary information, and shall not be regarded as a public
6 record under the Public Records Law. The commissioner and any insurer or
7 health plan contracted with a pharmacy benefit manager holding a license
8 issued by the department shall impose the confidentiality protections and
9 requirements of this Paragraph on any agent or downstream third party that
10 may receive or have access to this information.

11 D. PBM Contract and Other Requirements

12 A pharmacy benefit manager contract with an insurer or health plan
13 entered into, amended, extended, or renewed on or after January 1, 2027, shall:

14 (1) Specify all forms of revenue, including pharmacy benefit
15 management fees, to be paid by the insurer or health plan to the pharmacy
16 benefit manager.

17 (2) Acknowledge that spread pricing is not permitted in accordance with
18 R.S. 22:1867.

19 E. In addition to any other civil or criminal penalty authorized by law,
20 a violation of this Section shall be punishable by the commissioner through a
21 civil monetary penalty not to exceed one thousand dollars per claim.

22 F. In implementing the requirements of this Section, the state shall only
23 regulate a pharmacy benefit manager or insurer to the extent permissible under
24 applicable law.

25 Section 2. R.S. 22:1856(F) is hereby repealed.

26 Section 3. This Act shall become effective upon signature by the governor or, if not
27 signed by the governor, upon expiration of the time for bills to become law without signature
28 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
29 vetoed by the governor and subsequently approved by the legislature, this Act shall become

1 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, 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)]

DIGEST

SB 377 Original

2026 Regular Session

Harris

Proposed law provides that a pharmacy benefit manager may negotiate but not retain rebates and fees, and may only derive income from pharmacy benefit management fees for pharmacy benefit management services provided to an insurer or health plan in this state.

Proposed law provides for audits of a pharmacy benefit manager by the commissioner of insurance and any insurer or health plan contracted with a pharmacy benefit manager holding a license issued by the commissioner once per calendar year.

Proposed law requires the pharmacy benefit manager to provide information pursuant to proposed law within 30 days of receipt of any request from the commissioner and any insurer or health plan.

Proposed law requires the pharmacy benefit manager to certify that all information submitted to the commissioner or any insurer or health plan pursuant to proposed law is accurate and complete in all material respects.

Proposed law provides that a pharmacy benefit manager that has a contract with an insurer or health plan entered into, amended, extended, or renewed on or after January 1, 2027, must specify all forms of revenue, including pharmacy benefit management fees, to be paid by the insurer or health plan to the pharmacy benefit manager and acknowledge that spread pricing is not permitted in accordance with proposed law.

Proposed law mandates the state only regulate a pharmacy benefit manager or insurer to the extent permissible under applicable law.

Present law requires a health insurance issuer or its agent to decide the amount of any processing fee on each pharmacy claim in conjunction with the affected pharmacist or pharmacy.

Proposed law repeals present law.

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

(Adds R.S. 22:1657.1; repeals R.S. 22:1856(F))