
HOUSE COMMITTEE AMENDMENTS

2026 Regular Session

Substitute for Original House Bill No. 866 by Representative Dewitt as proposed by the House Committee on Insurance

This document reflects the content of a substitute bill but is not in a bill form; page numbers in this document DO NOT correspond to page numbers in the substitute bill itself.

To amend and reenact R.S. 22:1868(B)(introductory paragraph), (1), and (2), and (C), and enact R.S. 22:1868(B)(5), (D), and (E), relative to pharmacy benefit managers; to provide for definitions; to provide for pharmacy reimbursements; to prohibit certain reimbursement cost assignments; to provide for certain prohibitions; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1868 (B)(introductory paragraph), (1), and (2), and (C) is hereby amended and reenacted and R.S. 22:1868(B)(5), (D), and (E) is hereby enacted to read as follows:

§1868. Local pharmacy reimbursement; National Average Drug Acquisition Costs; appeals

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B. For purposes of this Section, the following definitions ~~shall~~ apply:

(1)(a) "Acquisition cost" ~~means the set of National Average Drug Acquisition Costs, "NADAC", as calculated by the Centers for Medicare and Medicaid Services and reflected in the most recently released public file.~~ means the amount a local pharmacy actually pays to purchase a prescription drug or device, as evidenced by a wholesaler or manufacturer invoice, and shall not be less than the National Average Drug Acquisition Cost or NADAC published by the Centers for Medicare and Medicaid Services on the date the prescription drug is dispensed.

(b) For drugs for which no NADAC rate is published, acquisition cost means the local pharmacy's documented invoice cost or if no invoice is available, the wholesale acquisition cost as published in a nationally recognized drug pricing compendium on the date of dispensing.

(c) "Acquisition cost" shall not be defined by or determined at the sole discretion of a pharmacy benefit manager or third-party administrator.

(2) "Adjustment factor" means a percentage-based change to the prescription drug pricing benchmark, such as ~~average wholesale price~~ or national average drug acquisition cost or wholesale acquisition cost, applied uniformly across a class of drugs.

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(5) "Professional dispensing fee" means a fee that meets all of the following:

(a) Incurred at the point of sale or service and pays for costs in excess of the ingredient cost of a covered outpatient drug each time a covered outpatient drug is dispensed.

(b) Includes only pharmacy costs associated with ensuring that possession of the appropriate covered outpatient drug is transferred to a beneficiary. Pharmacy costs include but are not limited to reasonable costs associated with a pharmacist's time in checking the computer for information about an individual's coverage, performing drug utilization review and preferred drug list review activities, measurement or mixing of the covered outpatient drug, filling the container, beneficiary counseling, physically providing the completed prescription to the beneficiary, delivery, special packaging, and overhead associated with maintaining the facility and equipment necessary to operate the pharmacy.

(c) Does not include administrative costs incurred by the state in the operation of the covered outpatient drug benefit including systems costs for interfacing with pharmacies.

C. Notwithstanding any provision of law to the contrary, effective January 1, 2026, a pharmacy benefit manager shall meet all of the following requirements for claims submitted by any local pharmacy to a pharmacy benefit manager administering claims on behalf of a health plan, except for the Office of Group Benefits:

(1) Adopt a reimbursement formula using either NADAC as the prescription drug pricing benchmark or, if NADAC is not available, wholesale acquisition cost.

~~or, with prior written approval by the commissioner, an alternative prescription drug pricing benchmark that results in claim payment errors that are both comparable to or less than NADAC in terms of frequency and smaller than NADAC in terms of magnitude:~~

~~(2) Adopt a reimbursement formula using an adjustment factor that, based on a percentage-based change to the prescription drug pricing benchmark, such as national average drug acquisition cost or wholesale acquisition cost, applied uniformly across a class of drugs. claims experience data available to the pharmacy benefit manager, is reasonably expected to result in a claim payment error rate of no more than two percent per drug as identified by its national drug code:~~

~~(3)(a) Adopt a reimbursement formula using a professional dispensing fee that is an amount not less than the professional dispensing fee established by the Louisiana Department of Health for the Louisiana Medicaid Program.~~

~~(b) The professional dispensing fee shall reflect the actual costs of the professional services provided by the pharmacists, and expenses related to the physical act of dispensing.~~

~~(c) The Department of Insurance shall consider only cost-based data and is prohibited from relying on historical data related to the professional dispensing fee paid by pharmacy benefit managers.~~

~~(3)~~ (4) Adopt an appeal process for pharmacists to challenge claim payment errors that, at a minimum, meets all of the following requirements:

(a) A network pharmacy contract executed by and between a pharmacy benefit manager and a pharmacy located in Louisiana shall, at a minimum, contain a provision expressly acknowledging that if a Louisiana pharmacy's reimbursement for any covered drug or device is less than the pharmacy's acquisition cost for that drug or device, the pharmacy has the right to appeal that reimbursement and, if successful, receive additional payment so that the total reimbursement is equal to the pharmacy's demonstrated acquisition cost. The pharmacy benefit manager shall direct the pharmacy to the pharmacy benefit manager's electronic and written appeal locations.

(b) Permit appeals to be filed for a period of fifteen days following the applicable date of payment.

(c) If an appeal is filed with the pharmacy benefit manager, the pharmacy must include a written invoice from the wholesaler that includes the drug name, national drug code number, purchase date, and cost of the drug.

(d) If a claim payment error occurred, the pharmacy benefit manager shall make an additional payment to the pharmacy to increase the reimbursement amount to the acquisition cost. The pharmacy benefit manager is prohibited from amending or changing the amount a prescription drug consumer must pay for an out-of-pocket cost share or expense.

(e) The pharmacy benefit manager shall individually notify all pharmacies using the same customary supplier or wholesaler that a claim payment error occurred and that the pharmacy may reverse and resubmit the claim to correct the claim payment error. The pharmacy benefit manager shall make retroactive price adjustments in the next payment cycle.

(f) If a pharmacy benefit manager determines that a claim payment error did not occur, it shall provide the pharmacy or pharmacist with an explanation of why it has upheld the payment, including a specific documentation of the acquisition cost on the date of service. The explanation shall be provided electronically or in writing through customary means of communication between the pharmacy benefit manager and the pharmacy or pharmacist. The explanation shall also include a notice in at least ten-point font stating that, if the pharmacy or pharmacist disagrees with the decision, the pharmacy or pharmacist may file a complaint with the Department of Insurance.

D. A pharmacy benefit manager, in this state, bears all costs associated with the reimbursement of professional dispensing fees. These costs shall not be assigned to plans, members, pharmacies, nor pharmacists.

E. The commissioner may require submission of claims-level data, including but not limited to reimbursement amounts, dispensing fees, and any adjustments, for the purpose of verifying compliance with this Section.

Section 2. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

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 Draft

2026 Regular Session

Abstract: Provides for pharmacy reimbursement guidelines. Prohibits certain reimbursement cost assignments. Prohibits cost changes to certain prescription drugs.

Present law prohibits pharmacy benefit managers or person acting on behalf of a pharmacy benefit manager from reimbursing a contracted or local pharmacy or pharmacist in this state an amount less than the acquisition cost for the covered drug, device, or service. Proposed law retains present law.

Proposed law retains present law definitions applicable to pharmacy benefit manager reimbursements. Proposed law adds the term "professional dispensing fee".

Proposed law provides additional reimbursement guidelines for pharmacy benefit managers claims submitted by any local pharmacy to a pharmacy benefit manager administering claims on behalf of a health plan, except for the Office of Group Benefits.

Proposed law retains present law relative to appeals process for pharmacists to challenge claim payment errors.

Proposed law prohibits pharmacy benefit managers from amending or changing the amount a prescription drug consumer must pay for an out-of-pocket cost share or expense.

Proposed law requires pharmacy benefit managers to bear all costs associated with the reimbursement of professional dispensing fees. Proposed law prohibits such costs from being assigned to plans, members, pharmacies, and pharmacists.

Proposed law authorizes the commissioner to require submission of claims-level data, including but not limited to reimbursement amounts, dispensing fees, and any adjustments, for the purpose of verifying compliance with proposed law.

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

(Amends R.S. 22:1868(B)(introductory paragraph), (1), and (2), and (C); Adds R.S. 22:1868(B)(5), (D), and (E))