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

AN ACT

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

Be it enacted by the Legislature of Louisiana:

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

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

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

(1) "Biosimilar" means any biological product that is licensed under 42 U.S.C. 262(k) and has been listed in the United States Food and Drug Administration's (FDA) Database of Licensed Biological Products ("Purple Book") as biosimilar to or interchangeable with a reference biological product.

(2) "Brand drug" means a drug for which an application has been approved under 21 U.S.C. 355(c), or a biological product, other than a biosimilar, that is licensed under 42 U.S.C. 262(a).

(3) "Formulary" means a list of prescription drugs that is developed by a Pharmacy and Therapeutics (P&T) Committee or other clinical and pharmacy experts and represents a health plan's prescription drugs approved for use.

(4) "Generic drug" means a drug for which an application has been approved under 21 U.S.C. 355(j) and which has been listed in the United States Food and Drug Administration's Approved Drug Products with Therapeutic Equivalence Evaluations ("Orange Book") as therapeutically equivalent to a reference drug, even if the manufacturer of such drug applies a trade name to the drug.

(5) "Reference listed drug" is the listed drug identified by the United States Food and Drug Administration as the drug product upon which an applicant relies in seeking approval of its application submitted under 21 U.S.C. 355(j).

(6) "Reference product" is a single biological product, licensed by the United States Food and Drug Administration under 42 U.S.C. 262(a), against which a proposed biosimilar or interchangeable product is compared, and listed as a reference product in the United States Food and Drug Administration's Database of Licensed Biological Products ("Purple Book").

(7) "Wholesale acquisition cost" has the same definition as "wholesale acquisition cost" in 42 U.S.C. 1395w-3a(c)(6)(B).

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

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

(b) Not impose any prior authorization, step therapy, or any other limitation on coverage of a generic drug for which formulary placement is required in

accordance with this Paragraph that makes it more difficult for an enrollee to obtain coverage of or access to the generic drug than the reference listed drug.

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

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

C. If a biosimilar is licensed and marketed pursuant to Paragraph (A)(3) of this Section and has a wholesale acquisition cost that is lower than the wholesale acquisition cost of its reference product on the biosimilar's initial date of marketing, a health insurance issuer that provides coverage for the reference product on that date shall do all of the following:

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

(b) Not impose any prior authorization, step therapy, or any other limitation on coverage of the biosimilar drug for which formulary placement is required in accordance with this Paragraph that makes it more difficult for an enrollee to obtain coverage of or access to the biosimilar drug than the reference listed drug.

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

(2) The requirements of this Subsection shall remain in effect if the wholesale acquisition cost of the biosimilar remains lower than the wholesale 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 Reengrossed 2026 Regular Session 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", "brand drug", "formulary", "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 in place as long as the biosimilar's wholesale acquisition cost remains lower than that of the reference product.

(Adds R.S. 22:1060.9)

Summary of Amendments Adopted by House

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

1. Revise and implement a set of technical definitions for the following terms: "Biosimilar", "Brand drug", "Formulary", "Generic drug", "Reference listed drug", "Reference product", and "Wholesale acquisition cost".

The House Floor Amendments to the engrossed bill:

1. Clarify that insurers may not impose utilization management requirements on qualifying generic drugs that are more restrictive than those applied to the reference listed drug.

2. Clarify that insurers may not impose utilization management requirements on qualifying biosimilars that are more restrictive than those applied to the reference product.

3. Make technical changes.