Section 3. 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 1217 Engrossed 2026 Regular Session Echols

Abstract: Provides for transparency, accountability, and enforcement mechanisms related to pharmacy benefit managers, insurers, health maintenance organizations, third-party administrators, and their affiliates.

Proposed law provides for transparency, reporting, and enforcement requirements applicable to pharmacy benefit managers (PBMs), insurers, health maintenance organizations, third-party administrators, and affiliated entities.

Proposed law requires PBMs and insurers to disclose all affiliated or related entities involved in pharmacy-related services. Disclosures must include the complete corporate vertical integration structure of all components related to the PBM, insurer, group purchasing organization, manufacturer, wholesale distributor, specialty or mail-order pharmacy, retail or long-term care pharmacy, and provider. Disclosures must also identify each service provided by an affiliate or subsidiary, the number of such services, by whom they were provided, and the dollar amounts associated with those services. All compensation flowing through an affiliated entity is deemed PBM compensation for regulatory purposes.

Proposed law requires PBMs and insurers administering self-funded plans to provide an annual full financial reconciliation to plan sponsors, including identification of all fees, rebates, administrative offsets, negotiated price concessions, performance-based price concessions, and affiliated-entity payments. Prohibits contract provisions restricting access to claims-level data or limiting disclosure to regulators.

Proposed law requires quarterly claims-level reporting to the commissioner and attorney general, including billed and paid amounts, all direct and indirect remuneration, affiliated entities involved in each transaction, post-sale adjustments, and negotiated or performance-based price concessions. Requires reporting of total reimbursement paid to network pharmacies in the state, identified by local and non-local pharmacy. Authorizes the commissioner to examine books and records to verify accuracy.

Proposed law prohibits recharacterization of spread pricing through administrative fees, affiliate payments, data charges, or service charges. Provides that such conduct constitutes an unfair or

deceptive act or practice subject to enforcement by the commissioner and attorney general, including restitution, disgorgement, and treble damages for knowing or willful violations.

Proposed law grants the commissioner and attorney general authority to conduct forensic financial audits, examine affiliated entities, and review intercompany transactions. Establishes concurrent enforcement jurisdiction for the attorney general and authorizes civil actions, subpoenas, and injunctive relief.

Proposed law establishes a minimum civil penalty of $1,000,000 per violation. Each undisclosed remuneration, failure to disclose an affiliated relationship, or failure to provide required reporting constitutes a separate violation. Authorizes restitution, disgorgement, treble damages for knowing or willful violations, and recovery of attorney fees, investigative costs, and expert fees.

Proposed law creates the Pharmacy Benefit Enforcement Fund, funded by civil penalties, settlements, and cost recoveries, and authorizes its use for investigations, litigation, regulatory enforcement, and consumer protection.

Proposed law provides whistleblower protections and authorizes awards of up to 25% of recovered funds. Prohibits evasion through affiliates, subcontractors, recharacterization of payments, or multi-entity arrangements.

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

(Adds R.S. 22:1870.11 through 1870.22 and R.S. 40:2864(D) and (E))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Health and Welfare to the original bill:

1. Make technical changes.

2. Remove provisions relative to applicability.

3. Provide that civil penalties apply to a violation of proposed law.

4. Remove duplicative provisions relative to treble damages.