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 DIGEST
 

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SB 401 Reengrossed

2026 Regular Session

Talbot

Proposed law defines "board", "department", "enrollee", "manufacturer", "prescription drug", "rebate", "research and development expenditures", and "wholesale acquisition cost".

Proposed law establishes the Prescription Drug Affordability Board (board) within the Dept. of Insurance, consisting of the following members:

- (1) The commissioner of insurance, or his designee.
- (2) The secretary of the La. Dept. of Health, or his designee.
- (3) The president of the La. Board of Pharmacy, or his designee.
- (4) Two public members appointed by the governor.
- (5) Two public members appointed by the president of the Senate.
- (6) Two public members appointed by the speaker of the House of Representatives.
- (7) One member representing a patient advocacy group appointed by the commissioner of insurance.

Proposed law requires the public members to have a significant health care or pharmacy background and provides that each shall serve for a term of five years.

Proposed law prohibits conflicts of interest by board members. Further provides that actual or potential conflicts of interest be disclosed prior to appointment to the board.

Proposed law requires the board to develop a list of critical prescription drugs made available in La., for which there is a substantial public interest in understanding the development of pricing for the drugs. Provides that generic or biosimilar drugs be placed on the list in certain circumstances.

Proposed law provides that by June first of each calendar year, the department shall identify up to 10 prescription drugs on which the state spends significant healthcare dollars, after accounting for rebates, and for which the wholesale acquisition cost has increased by a total of 15% or more during the prior calendar year. Further provides for each prescription drug identified, the department shall require the drug's manufacturer to report certain information. Provides that the information provided to the department is exempt from public inspection and copying and shall not be released in a manner that would allow for the identification of the prices charged, or rebates provided for an individual drug, therapeutic class of drugs, the identity of a specific manufacturer, or in a manner that has the potential to comprise the financial, competitive, or proprietary nature of the information.

Proposed law establishes a price increase threshold for reporting by generic and biosimilar manufacturers.

Proposed law provides that failure of a manufacturer to provide the required information is a prohibited practice under present law (Unfair Trade Practices and Consumer Protection Law).

Proposed law provides that all the information and data obtained by the department that is not otherwise publicly available is considered to be a trade secret, confidential, and proprietary information, and such information is not subject to disclosure.

Proposed law provides for disclosure of proprietary or confidential information to the commissioner of insurance. Further provides that proprietary or confidential information is exempt from public records laws.

Proposed law requires the board to prepare an annual report on prescription drug prices and their role in overall healthcare spending in the state based on the data submitted to the board. Further requires the board to include in the report a list of those prescription drugs that have a cost in La. that is excessively high when compared with the cost of the drug in other states and countries and when compared with the overall cost of researching, developing, and producing the drug in light of the number of years the drug has been made available for distribution.

Proposed law terminates on June 30, 2028.

Effective if and when the Act which originated as SB No. 387 of this 2026 R.S. of the Legislature is enacted and becomes effective.

(Amends R.S. 44:4.1(B)(11); Adds R.S. 22:1870.10-1870.19; Repeals R.S. 22:1870(B)(5))

### Summary of Amendments Adopted by Senate

#### Committee Amendments Proposed by Senate Committee on Insurance to the original bill

1. Requires notification when the wholesale acquisition cost of a name brand drug increases by more than the CPI during any 12-month period.
2. Requires notification when the wholesale acquisition cost of a generic drug increases by more than \$100, or by \$200 total, in any 12-month period.
3. Requires an explanation for the increase in price, including specified information about factors that make up the price.
4. Requires the reported information be made publicly available.
5. Requires an annual report.
6. Sunsets the board on June 30, 2028.
7. Repeals present law requiring notice of a more than 15% increase in the cost of a brand name drug.
8. Makes proposed law effective when SB 387 is enacted.
9. Makes technical changes.

#### Senate Floor Amendments to engrossed bill

1. Changes price increase reporting thresholds for generic and biosimilar drugs.
2. Allows manufacturers to submit proprietary or sensitive information to the commissioner of insurance to review.
3. Exempts from public disclosure proprietary or sensitive information submitted to the commissioner.
4. Adds definitions for research and development expenditures and wholesale acquisition cost.
5. Adds a member to the board.

6. Prohibits members of the board from having conflicts of interest and requires disclosure of potential or actual conflicts of interest prior to appointment to the board.
7. Makes technical changes.

Summary of Amendments Adopted by House

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

1. Define certain terms.
2. Provide that brand name drugs, certain biologic, and certain biological products are not considered for placement on the prescription drug list.
3. Add provisions for manufacturer reporting which provides for manufacturer reporting requirements, manufacturer's obligation, and exemption from public inspection.
4. Add provisions for confidentiality which provides that all information and data obtained by the department pursuant to proposed law, that is not otherwise publicly available is considered to be a trade secret and confidential and proprietary information and such information is not subject to disclosure pursuant to the Public Records Law.
5. Prohibit the publishing or disclosing of certain manufacturer information pursuant to proposed law.
6. Authorize the department, board, and interested parties to impose confidentiality protections of proposed law on any third party.
7. Remove provision of proposed law, which provide for the disclosure of prescription drug price information.
8. Make technical changes.

The Committee Amendments Proposed by House Committee on House and Governmental Affairs to the reengrossed bill:

1. Remove certain proposed law provisions relative to aggregation of certain information and required disclosure of certain information.
2. Make technical changes.