RÉSUMÉ DIGEST

ACT 907 (HB 870) **2026 Regular Session** **Turner**

New law establishes mandates concerning health insurance formulary placement and cost-sharing arrangements for specific generic drugs and biosimilars.

New law incorporates definitions for "biosimilar", "brand drug", "formulary", "generic drug", "reference listed drug", "reference product", and "wholesale acquisition cost". New law additionally defines "net cost calculation" as the wholesale acquisition cost minus applicable rebates, discounts, and fees.

New law requires that when a generic drug is initially marketed at a wholesale acquisition cost that is lower than that of the corresponding reference listed drug, as well as any drug sharing the same reference listed drug, the health insurance issuer providing coverage for the reference listed drug promptly include the generic drug on its formulary. This inclusion must occur at a tier that offers more favorable cost-sharing, which encompasses reduced enrollee out-of-pocket expenses.

New law prohibits health insurance issuers from applying prior authorization, step therapy, or any other forms of utilization management or coverage limitations that may hinder access to the generic drug compared to the reference listed drug. This prohibits restrictions on the pharmacies from which an enrollee may obtain the drug. These stipulations remain in effect as long as the wholesale acquisition cost of the generic drug remains lower than that of the corresponding reference listed drug.

Upon the initial marketing of a biosimilar, if its wholesale acquisition cost is lower than that of its reference product and any biosimilar sharing that reference product, the health insurance issuer responsible for covering the reference product must include at least one biosimilar on the formulary. This inclusion must also occur at a tier with more favorable cost-sharing.

New law forbids any utilization management requirements or pharmacy access limitations that would complicate access to the biosimilar when compared to the reference product. These requirements persist as long as the biosimilar's wholesale acquisition cost is lower than the reference product's cost.

New law permits health insurance issuers to employ a net cost calculation in lieu of the wholesale acquisition cost to determine formulary placement. Health insurance issuers that opt to use a net cost calculation for a branded prescription drug, rather than including a generic or biosimilar on the formulary, must notify the commissioner of insurance (commissioner) within 30 days. The notification must supply, for each applicable National Drug Code, specific details including wholesale acquisition cost, net cost, cost-sharing amounts, and information regarding manufacturer rebates, as ultimately adopted and modified by the conference committee.

The commissioner is required to submit an annual report summarizing such notifications and analyzing the overall impact on patient costs. Information provided in accordance with these stipulations is classified as confidential, proprietary trade secret information and is exempt from disclosure under existing public records law. New law extends confidentiality protections to third parties privy to such information.

New law provides an exception to public records law for such confidential information.

Effective August 1, 2026.

(Adds R.S. 22:1060.9; Amends R.S. 44:4.1(B)(11))