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 436 Engrossed 2017 Regular Session Talbot

Abstract: Requires the disclosure of certain pharmacy claims data and prescription drug price information.

Proposed law requires each health insurance issuer that offers a health benefit plan in this state and each pharmacy benefit manager that contracts with an issuer that offers a health benefit plan in this state to submit to the Dept. of Insurance (DOI), on an annual basis and with respect to each health benefit plan offered, all of the following information for certain therapeutic classes of prescription drugs identified by DOI:

(1) The number of requests for exceptions to the health benefit plan's formulary and the number of claims approved and the number of claims denied.

(2) A list of all services subject to prior authorization or other utilization management, the type of utilization management applied, and the clinical or other rationale for the utilization management.

(3) The methodology used for any study done to inform coverage, formulary placement, or utilization management for any medical item or service.

(4) The number of pharmacy claims transactions approved and the number of pharmacy claims rejected due to a prior authorization or other utilization management requirement including but not limited to step therapy.

(5) The proportion of insureds who do not fill a prescription for an alternative therapy within 60 days of a denial of a request for an exception and the proportion of insureds who do not fill a prescription for an alternative therapy within 60 days.

(6) The total number of dollars spent on research to support and develop the clinical criteria used in making coverage determinations for items and services not specifically listed in the benefits contract as excluded from coverage under the health benefit plan.

Proposed law defines "average wholesale price", "committee", "department", "manufacturer" "prescription drug", and "prescription drug marketing".

Proposed law establishes the Prescription Drug Review Committee (committee) within DOI 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.

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

Proposed law requires the committee 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.

Proposed law requires the manufacturer of each prescription drug that the committee places on the critical prescription drug list to report the following information to the committee:

(1) Total cost of production and approximate cost of production per dose.

(2) Research and development costs of the drug.

(3) Marketing and advertising costs for the drug, apportioned by marketing activities that are directed to consumers, marketing activities that are directed to prescribers, and the total cost of all marketing and advertising that is directed primarily to La. consumers and prescribers.

Proposed law requires information reported to the committee to be kept confidential and prohibits the disclosure of the information as a public record. Further requires any public reporting of information to be aggregated to protect the financial, competitive, or proprietary nature of the information.

Proposed law requires the committee 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 committee. Further requires the committee 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 requires any person engaging in any form of prescription drug marketing directly to a healthcare provider with the intent that the provider may prescribe the drug for use by his patients to include, at a minimum, the following price information in the materials:

(1) The date that the educational or marketing materials were prepared.

(2) The name of the drug and of the current manufacturer.

(3) The average wholesale price of a 30-day supply of the drug described in the materials, or if the described drug is designed to be administered for a duration of therapy of less than 30 days, the proposed duration and average wholesale price for that period of time.

(4) The date that the drug was first marketed in the U.S. and the average wholesale price as of that date.

(5) The average wholesale price on each date that the price of the drug has changed since the drug was first marketed in the U.S.

Proposed law requires the completed form to be provided to the healthcare provider at the same time and in the same manner as any other marketing materials provided to the provider.

Further provides, if the marketing activities are performed telephonically, the form to be sent to the healthcare provider by mail or electronically within one business day of the marketing activity.

(Amends R.S. 44:4.1(B)(26); Adds R.S. 22:1060.7 and R.S. 40:2255.1-2255.21)

Summary of Amendments Adopted by House

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

1. Require an annual report of certain prescription drug claims data by health insurance issuers and pharmacy benefit managers.

2. Delete provisions allowing recommendations for additional drugs to be included on the critical prescription drug list.

3. Delete the requirement that drug manufacturers disclose pricing information to the committee.

4. Delete provisions authorizing enforcement under the Unfair Trade Practices and Consumer Protection Law.

5. Make technical changes.