

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 283** SLS 18RS 698

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 26, 2018	8:28 AM	<b>Author:</b> MILLS
<b>Dept./Agy.:</b> Insurance		<b>Analyst:</b> Willis Brewer
<b>Subject:</b> Provides relative to pharmacy benefit managers. (8/1/18)		

HEALTH/ACC INSURANCE RE NO IMPACT See Note  
Provides relative to pharmacy benefit managers. (8/1/18)

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Present law requires pharmacy benefit managers to be licensed by Louisiana Department of Insurance (LDI). Proposed law requires LDI to have a dedicated location on their website to publish pharmacy benefit manager information, including the formulary and timely notification of formulary changes by each licensed pharmacy benefit manager. Proposed law requires pharmacy benefit managers to issue an annual transparency report that discloses aggregate data on rebates received from drug manufacturers, administrative fees, and aggregate rebates received that did not pass through to the health benefit plan or insurer. Proposed law requires LDI to publish the transparency report within ten days of receipt from the pharmacy benefit manager. Proposed law provides that not less than 30 days prior to a drug price increase of 50% or greater, a pharmaceutical drug manufacturer must notify the commissioner of insurance by electronic mail of any such change. Proposed law provides for enforcement against the pharmacy benefit manager's license for failure to comply with proposed law. Proposed law provides for an exception to the public records act. Effective August 1, 2018.

<b>EXPENDITURES</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>REVENUES</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>5 -YEAR TOTAL</b>
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Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

Proposed legislation will have no impact to the Louisiana Department of Insurance (LDI) to publish information on its website. Any technical changes to LDI's website necessary to comply with this measure are anticipated to be performed with the LDI's current maintenance contract. This measure will require pharmacy benefit managers to disclose to LDI aggregate data concerning rebates received from drug manufacturers, administrative fees, and any prescription drug price that has increased by 50% or greater.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Evan Brasseaux*  


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**Evan Brasseaux**  
**Staff Director**