HLS 20RS-645 ORIGINAL

2020 Regular Session

HOUSE BILL NO. 608

BY REPRESENTATIVE JORDAN

INSURANCE/HEALTH: Provides relative to the regulation of pharmacy benefit managers

1	AN ACT
2	To amend and reenact R.S. 40:2868, relative to the regulation of pharmacy benefit
3	managers; to limit the regulatory authority of the Board of Pharmacy; to provide for
4	an effective date; and to provide for related matters.
5	Be it enacted by the Legislature of Louisiana:
6	Section 1. R.S. 40:2868 is hereby amended and reenacted to read as follows:
7	§2868. Pharmacy benefit manager; regulation by Board of Pharmacy; requirements
8	for permitting; limitations
9	A. A pharmacy benefit manager may obtain and maintain a permit from the
10	Board of Pharmacy if the pharmacy benefit manager administers, develops,
11	maintains, performs, or provides one or more of the following pharmacy services in
12	this state or that affects one or more beneficiaries of a pharmacy benefit management
13	plan administered by the pharmacy benefit manager:
14	(1) Adjudication of appeals or grievances related to prescription drug
15	coverage.
16	(2) Disease management programs. For purposes of this Subsection,
17	"disease management program" means a program adopted to guide and care for
18	beneficiaries with chronic health problems to improve the quality of health care
19	provided to them and prevent future need for medical resources by using an
20	integrated comprehensive approach.

Page 1 of 4

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

27

28

1	(3) Drug formularies. For purposes of this Subsection, "drug formulary"
2	means a list of prescription medications or pharmaceutical products developed and
3	approved by each health plan that may be dispensed to a beneficiary through
4	participating pharmacies. A drug formulary may also be referred to as a "preferred
5	drug list", "prior authorization list", or "pharmacopeia".
6	(4) Drug regimen reviews. For purposes of this Subsection, "drug regimen
7	review" means third-party review of all medications a beneficiary is currently using,
8	whether prescribed or over-the-counter, and administered by any method.
9	(5) Prescription drug management programs. For purposes of this
10	Subsection, "prescription drug management program" means a program developed
11	and designed to administer the prescription drug benefit as part of a health plan, and
12	as part of such administration a PBM may contract with pharmacies for
13	implementation and dispensing drugs in accordance with the program.
14	(6) Processing of prior authorization requests. For purposes of this
15	Subsection, "processing of prior authorization requests" means making a
16	determination regarding payment coverage based on an advance approval request
17	submitted by a physician or other healthcare provider before a specific procedure,
18	service, device, supply, or medication is delivered to the beneficiary.
19	(7) Quality care dosing services. For purposes of this Subsection, "quality
20	care dosing services" means electronically checking prescription medications before
21	they are filled at the pharmacy to ensure that the quantity and dosage is consistent
22	with the recommendations of the United States Food and Drug Administration and
23	others.
24	(8) Step therapy procedures. For purposes of this Subsection, "step therapy
25	procedure" means protocols and policies that establish a specific sequence in which
26	prescription drugs for a medical condition are approved for coverage by a health plan

costly drugs. Step therapy may also be referred to as "fail first" protocol.

for a beneficiary which generally requires cheaper drugs to be used before more

1	(9) Utilization management and utilization reviews. For purposes of this
2	Subsection, "utilization management" and "utilization review" mean third-party
3	review and approval of appropriateness and necessity of care that a healthcare
4	provider has indicated for a beneficiary prior to delivery and coverage of such care.
5	(10) Any other act, service, operation, or transaction incidental to or forming
6	a part of the compounding, filling, dispensing, exchanging, giving, offering for sale,
7	or selling drugs, medicines, poisons, or devices in this state by pharmacists or
8	pharmacies, pursuant to a prescription or an order of physicians, dentists,
9	veterinarians, or other licensed practitioners, requiring, involving, or employing the
10	science or art of any branch of the pharmacy profession, study, or training.
11	B. Every pharmacy benefit manager permitted by the Board of Pharmacy
12	shall abide by the applicable provisions of the Louisiana Pharmacy Practice Act and
13	the rules and regulations of the Board of Pharmacy.
14	C. The Board of Pharmacy shall not adopt any permitting requirements that
15	conflict with those established in R.S. 22:1651 for third-party administrators.
16	Section 2. The provisions of Section 1 of this Act supersede the provisions of
17	Section 3 of Act 124 of the 219 Regular Session of the Legislature that enacts R.S. 40:2868.
18	Section 3.(A) Section 1 of this Act shall become effective when Section 3 of Act 124
19	of the 2019 Regular Session of the Legislature becomes effective.
20	(B) Section 2 and this Section of this Act shall become effective on July 1,
21	2020.

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 608 Original

2020 Regular Session

Jordan

Abstract: Prohibits the Board of Pharmacy from adopting any permitting requirements for pharmacy benefit managers that conflict with those established in the La. Insurance Code for third-party administrators.

Present law requires pharmacy benefit managers to be licensed by the commissioner of insurance, registered with the La. secretary of state, and, if they perform certain services identified in present law, permitted by the La. Board of Pharmacy.

Page 3 of 4

CODING: Words in struck through type are deletions from existing law; words underscored are additions.

<u>Proposed law</u> limits the regulatory authority of the La. Board of Pharmacy by prohibiting the board from adopting any permitting requirements that conflict with those established in the Louisiana Insurance Code for third-party administrators.

<u>Proposed law</u> supersedes the provisions of Act 124 of the 2019 Regular Session of the Legislature that enact R.S. 40:2868.

Effective July 1, 2020.

(Amends R.S. 40:2868)