LEGISLATIVE FISCAL OFFICE **Fiscal Note**



548 HLS 23RS Fiscal Note On: HB

Bill Text Version: ENGROSSED

Opp. Chamb. Action: Proposed Amd .:

Date: April 25, 2023

5:39 PM

Author: TURNER

Sub. Bill For .:

Dept./Agy.:LDH Subject: 340B drug pricing

Analyst: Shawn Hotstream

DRUGS/PRESCRIPTION EG NO IMPACT See Note Provides relative to the 340B drug pricing program

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Proposed law prevents a health insurance issuer, pharmacy benefit manager (PBM), other third-party payor or its agent from the following: 1) reimbursing a 340B entity for 340B drugs at a rate lower than that paid for the same drug to entities that are not 340B entities; 2) impose terms/conditions on any 340B entity with respect to fees, dispensing fees, charges, clawbacks, restrictions, requirements, or other adjustments or assessments that differ from such terms or conditions applied to non-340B entities; 3) require a 340B entity to reverse, resubmit or clarify a claim after the initial adjudication unless in the normal course of business; 4) discriminate against a 340B entity in a manner that interferes with patient choice; and 5) require or compel the submission of ingredient costs or pricing data pertaining to 340B drugs to any health insurance issuer, PBM, or third party payor. Proposed law prevents a manufacture or distributor from denying, restricting, prohibiting, or interfering with the acquisition or delivery of a 340B drug by a pharmacy that is under contract with a 340B entity and is authorized under the contract to receive and dispense 340B drugs on behalf of the covered entity. A manufacturer or distributor shall not interfere with a pharmacy contracted with a 340B entity.

EXPENDITURES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0
REVENUES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on expenditures of LDH/Medicaid or the Office of Group Benefits as a result of this measure. This measure prohibits practices by a pharmacy benefit manager, health insurance issuer, or other third party payor that would limit or impose conditions that would indirectly lower the amount of reimbursement for a drug discounted according to the federal 340B drug pricing program. In addition, the bill prohibits actions by a manufacture or distributor from denying or interfering with the acquisition of a 340B drug discount program. The 340B program allows qualifying hospitals that treat low income and uninsured patients to buy outpatient prescription drugs at a discount.

REVENUE EXPLANATION

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

Evan	<u>House</u>	Dual Referral Rules	<u>Senate</u>
Evan	$6.8(F)(1) >= $100,000 SGF Fiscal Cost {H & S}$	>= \$100,000 Annual Fiscal Cost {S & H}	13.5.1 >
Evan Brasse	6.8(G) >= \$500,000 Tax or Fee Increase	13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}	
Interim Dep	or a Net Fee Decrease {S}		

or a Net Fee Decrease {S}

Interim Deputy Fiscal Officer

Brasseaux