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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, 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)]

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DIGEST

SB 194 Original

2025 Regular Session

Harris

Proposed law provides that a pharmacy benefit manager may negotiate but not retain rebates and fees, and may only derive income from pharmacy benefit management fees for pharmacy benefit management services provided to an insurer or health plan in this state.

Proposed law provides for audits of a pharmacy benefit manager by the commissioner of insurance and any insurer or health plan contracted with a pharmacy benefit manager holding a license issued by the commissioner once per calendar year.

Proposed law requires the pharmacy benefit manager to provide information pursuant to proposed law within 30 days of receipt of any request from the commissioner and any insurer or health plan.

Proposed law requires that the pharmacy benefit manager certify that all information submitted to the commissioner, or any insurer or health plan pursuant to proposed law is accurate and complete in all material respects.

Proposed law provides that a pharmacy benefit manager that has a contract with an insurer or health plan entered into, amended, extended, or renewed on or after January 1, 2026, must specify all forms of revenue, including pharmacy benefit management fees, to be paid by the insurer or health plan to the pharmacy benefit manager and acknowledge that spread pricing is not permitted in accordance with proposed law.

Proposed law mandates the state only regulate a pharmacy benefit manager or insurer to the extent permissible under applicable law.

Present law provides for definitions.

Proposed law retains present law and adds the definition of "Effective Rate Pricing" which means any payment reduction for pharmacist or pharmacy services by a pharmacy benefit manager under a reconciliation process for direct or indirect remuneration fees, a brand or generic effective rate of reimbursement, or any other reduction or aggregate reduction of payment.

Proposed law prohibits a pharmacy benefit manager from using Effective Rate Pricing for a local pharmacy or local pharmacist as defined in present law.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 22:1860.2(A), 1863, and 1867(A) and (B) and R.S. 40:2870(A)(4) and (5)(a); adds R.S. 22:1657.2; and repeals R.S. 22:1856(F))