

2025 Regular Session

HOUSE RESOLUTION NO. 329

BY REPRESENTATIVE MILLER

PHARMACIES: Urges the attorney general and the Louisiana Department of Insurance to investigate pharmacy benefit managers (PBMs) for potential violations of law and to urge and request the legislature to pass legislation prohibiting PBMs from owning or having a financial interest in pharmacies in this state

1 A RESOLUTION

2 To urge and request the attorney general and the Louisiana Department of Insurance to
3 investigate pharmacy benefit managers (PBMs) for potential violations of law and
4 to urge and request the legislature to pass legislation prohibiting PBMs from owning
5 or having a financial interest in pharmacies in this state.

6 WHEREAS, PBMs serve as middlemen in the prescription drug supply chain,
7 negotiating drug prices and reimbursement rates between drug manufacturers, insurance
8 providers, and pharmacies; and

9 WHEREAS, PBMs wield enormous influence over which drugs are covered and how
10 much pharmacies are reimbursed, controlling access to medications for millions of
11 Americans, including over one and a half million Medicaid beneficiaries in this state; and

12 WHEREAS, PBMs that own or are affiliated with pharmacies prioritize their own
13 affiliated entities in reimbursement practices, network design, and drug formulary
14 placement, placing independent community pharmacies at a competitive disadvantage; and

15 WHEREAS, R.S. 22:1860.3 requires that PBMs shall not reimburse a pharmacy an
16 amount less than it reimburses an affiliate of the PBM for the same services; and

17 WHEREAS, multiple states have documented alarming trends where patients paid
18 more using their insurance copayments than if they had paid cash for the same medications,
19 highlighting systemic pricing distortions driven by PBMs; and

1 WHEREAS, the state of Tennessee conducted a comprehensive landscape analysis
2 that confirmed widespread instances of inflated copayments compared to cash prices, raising
3 concerns about the transparency and efficiency of PBM-negotiated pricing; and

4 WHEREAS, Mississippi's state auditor uncovered that PBM practices had resulted
5 in patients overpaying for medications, culminating in an over fifty-five million dollar
6 settlement and reinforcing the need for oversight and structural reform of PBM operations;
7 and

8 WHEREAS, the state of Arkansas responded by requiring PBMs to reimburse
9 pharmacies at or above the National Average Drug Acquisition Cost (NADAC) plus a
10 dispensing fee, aiming to prevent such discrepancies and ensure fair payment; and

11 WHEREAS, the Federal Trade Commission's Section 6(b) study on PBMs reports
12 instances in which PBMs reimbursed their own pharmacies at higher rates than independent
13 competitors, raising serious concerns about anti-competitive behavior and market
14 manipulation; and

15 WHEREAS, such vertical integration reduces transparency, eliminates fair market
16 competition, and threatens the viability of local, often rural, community pharmacies that
17 serve as critical access points for health care; and

18 WHEREAS, the state of Arkansas recently enacted legislation that prohibits PBMs
19 from owning pharmacies or having ownership interests in pharmacies, recognizing the
20 structural conflict of interest and the need to protect consumer choice and fair pharmacy
21 access; and

22 WHEREAS, the dangers of vertical integration in the pharmaceutical supply chain
23 have drawn national concern; and

24 WHEREAS, in April 2025, a bipartisan coalition of thirty-nine state attorneys
25 general, including Louisiana Attorney General Liz Murrill, sent a formal letter to the United
26 States Congress calling for federal legislation to bar PBMs and their parent companies from
27 owning or operating pharmacies; and

28 WHEREAS, in that letter, the attorneys general cited how PBMs have evolved from
29 administrative service providers into dominant corporate conglomerates that now process
30 eighty percent of all prescriptions in the United States and control seventy percent of

1 specialty drug revenues, often to the detriment of independent competitors and patient care;
2 and

3 WHEREAS, the attorneys general highlighted that affiliated PBMs steer patients to
4 their own pharmacies, particularly for high-cost, specialty medications, grant themselves
5 favorable contract terms, and use their market power to push independent pharmacies out
6 of business contributing to the closure of roughly ten percent of rural independent
7 pharmacies nationwide over the past decade; and

8 WHEREAS, this consolidation has increased prescription drug costs, reduced access
9 to care, and substituted corporate profits for clinical judgment in determining which
10 medications patients receive; and

11 WHEREAS, Louisiana's community pharmacies are essential to the healthcare
12 delivery system and provide trusted, accessible care to patients across this state, especially
13 in underserved and rural communities; and

14 WHEREAS, Louisiana's patients increasingly face the risk of pharmacy deserts as
15 PBMs force independent pharmacies out of business and subsequently close their own stores
16 impacting all citizens in that area having access to their necessary prescription drugs; and

17 WHEREAS, Rite Aid filed for Chapter 11 bankruptcy for the second time in May
18 2025 and announced plans to close all of its remaining one thousand two hundred stores
19 nationwide; and

20 WHEREAS, CVS Health is in the process of closing nine hundred stores over a
21 three-year period with closures in 2025 targeting locations with overlapping footprints or
22 low foot traffic as the company shifts focus to its expanding healthcare services; and

23 WHEREAS, Walgreens has announced plans to close over one thousand
24 underperforming stores over the next three years, with five hundred closures scheduled for
25 fiscal year 2025; and

26 WHEREAS, ensuring sustainability for independent pharmacies requires strong
27 public policy that prevents market consolidation and abusive practices by vertically
28 integrated PBM entities.

29 THEREFORE, BE IT RESOLVED that the House of Representatives of the
30 Legislature of Louisiana does hereby urge and request that the attorney general and the

1 Louisiana Department of Insurance investigate PBMs compliance with existing laws, rules,
2 and regulations passed by the legislature and adopted by department and agencies of the
3 government.

4 BE IT FURTHER RESOLVED that the House of Representatives of the Legislature
5 of Louisiana does hereby urge and request that the legislature pass legislation to prohibit
6 PBMs from owning or controlling pharmacies in this state and to pursue transparency and
7 fairness in pharmaceutical reimbursement and contracting practices.

8 BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the
9 governor, attorney general, commissioner of the Louisiana Department of Insurance,
10 executive director of the Louisiana Board of Pharmacy, and secretary of the Louisiana
11 Department of Health.

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)]

HR 329 Original

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