

2025 Regular Session

HOUSE RESOLUTION NO. 329

BY REPRESENTATIVES MILLER, ADAMS, AMEDEE, BAYHAM, BERAULT, BILLINGS, BOYD, BUTLER, ROBBY CARTER, ECHOLS, EGAN, FREEMAN, FREIBERG, GLORIOSO, HORTON, HUGHES, JORDAN, KNOX, LACOMBE, LARVADAIN, LYONS, MARCELLE, MCFARLAND, MCMAKIN, MOORE, NEWELL, OWEN, PHELPS, SCHAMERHORN, SPELL, TAYLOR, THOMPSON, WALTERS, WILDER, WILEY, WYBLE, AND YOUNG

A RESOLUTION

To urge and request 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

WHEREAS, in that letter, the attorneys general cited how PBMs have evolved from administrative service providers into dominant corporate conglomerates that now process eighty percent of all prescriptions in the United States and control seventy percent of specialty drug revenues, often to the detriment of independent competitors and patient care; and

WHEREAS, the attorneys general highlighted that affiliated PBMs steer patients to their own pharmacies, particularly for high-cost, specialty medications, grant themselves

favorable contract terms, and use their market power to push independent pharmacies out of business contributing to the closure of roughly ten percent of rural independent pharmacies nationwide over the past decade; and

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

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

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

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

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

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

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

THEREFORE, BE IT RESOLVED that the House of Representatives of the Legislature of Louisiana does hereby urge and request that the attorney general and the Louisiana Department of Insurance investigate PBMs compliance with existing laws, rules, and regulations passed by the legislature and adopted by department and agencies of the government.

BE IT FURTHER RESOLVED that the House of Representatives of the Legislature of Louisiana does hereby urge and request that the legislature pass legislation to prohibit

PBMs from owning or controlling pharmacies in this state and to pursue transparency and fairness in pharmaceutical reimbursement and contracting practices.

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

---

SPEAKER OF THE HOUSE OF REPRESENTATIVES