

HOUSE SUMMARY OF SENATE AMENDMENTS

House Bill No. 393 by Representative Anders

MEDICAID: Provides relative to prescription drug benefits of certain managed care organizations participating in the La. Medicaid coordinated care network program

Synopsis of Senate Amendments

1. Deletes proposed law requiring managed care organizations to utilize a single-page prior authorization form issued by DHH. Adds in lieu thereof a provision requiring managed care organizations to accept, in addition to any currently accepted facsimile and electronic prior authorization forms, a standard prior authorization form, not to exceed two pages, excluding guidelines or instructions, issued by DHH.
2. Adds provision authorizing a health care provider to submit electronically the prior authorization form provided for in proposed law if the managed care organization allows for submission of the form in this manner.
3. Changes language relative to instances in which step therapy or a fail first protocol is expected to be ineffective from "is reasonably expected" to "will be expected".
4. Deletes proposed law providing that the duration of any step therapy or fail first protocol shall not be longer than the customary period for the medication when such treatment is demonstrated by the prescribing physician to be clinically ineffective. Adds in lieu thereof a requirement that the duration of any step therapy or fail first protocol not be longer than the duration of action for the medication as described in the pharmacokinetics section of the package insert approved by the FDA when such treatment is demonstrated by the prescribing physician to be clinically ineffective.
5. Deletes proposed law providing that when the managed care organization demonstrates through sound clinical evidence the originally prescribed medication is likely to require more than the customary period for such medication to provide any relief or an amelioration to the Medicaid enrollee, the step therapy or fail first protocol may be extended for an additional period of time no longer than the original customary period for the medication.

Digest of Bill as Finally Passed by Senate

Proposed law defines "prepaid coordinated care network" as a private entity that contracts with the department to provide Medicaid benefits and services to enrollees of the Medicaid coordinated care program known as "Bayou Health" in exchange for a monthly prepaid capitated amount per member.

Proposed law requires each prepaid coordinated care network to form a pharmaceutical and therapeutics committee which shall develop a drug formulary and preferred drug list for the prepaid coordinated care network. Provides that such committees shall:

- (1) Meet no less frequently than semiannually in Baton Rouge.
- (2) Make such meetings open to the public.
- (3) Allow for public comment at such meetings prior to voting by the committee on any

change in the preferred drug list or formulary.

Proposed law requires that all managed care organizations participating in the La. Medicaid program accept, in addition to any currently accepted facsimile and electronic prior authorization forms, a standard prior authorization form, not to exceed two pages, excluding guidelines or instructions, that has been duly promulgated by DHH in accordance with the APA. Proposed law provides a health care provider may submit the prior authorization form electronically if the managed care organization allows for submission of the form in this manner.

Proposed law requires that each managed care organization which utilizes step therapy or fail first protocols comply with the provisions of proposed law.

Proposed law provides that when medications are restricted for use by a managed care organization by a step therapy or fail first protocol, the prescribing physician shall be provided with and have access to a clear and convenient process to expeditiously request an override of such restriction from the managed care organization. Requires the managed care organization to expeditiously grant an override of such restriction under any of the following circumstances:

- (1) The prescribing physician can demonstrate to the managed care organization, based on sound clinical evidence, that the preferred treatment required under step therapy or fail first protocol has been ineffective in the treatment of the Medicaid enrollee's disease or medical condition.
- (2) The prescribing physician can demonstrate to the managed care organization, based on sound clinical evidence, that the preferred treatment required under the step therapy or fail first protocol will be expected to be ineffective based on the known relevant physical or mental characteristics and medical history of the Medicaid enrollee and known characteristics of the drug regimen.
- (3) The prescribing physician can demonstrate to the managed care organization, based on sound clinical evidence, that the preferred treatment required under the step therapy or fail first protocol will cause or will likely cause an adverse reaction or other physical harm to the Medicaid enrollee.

Proposed law provides that the duration of any step therapy or fail first protocol shall not be longer than the duration of action for the medication as described in the pharmacokinetics section of the package insert approved by the United States Food and Drug Administration when such treatment is demonstrated by the prescribing physician to be clinically ineffective.

Proposed law provides that provisions of proposed law shall not apply to any entity that contracts with DHH to provide fiscal intermediary services in processing claims of health care providers.

Effective Jan. 1, 2014.

(Adds R.S. 46:460.31-460.35)