The original instrument was prepared by Christopher D. Adams. The following digest, which does not constitute a part of the legislative instrument, was prepared by Jay Lueckel.

DIGEST 2015 Regular Session

Mills

Proposed law provides for definitions.

SB 163 Reengrossed

<u>Proposed law</u> provides that a managed care organization may negotiate the ingredient cost reimbursement in its contracts with providers.

<u>Proposed law</u> relative to any contract between the Department of Health and Hospitals and a managed care organization that the department provides for pharmacy reimbursement shall provide for a dispute process for local pharmacies.

<u>Proposed law</u> provides that such dispute review process shall include the following minimal elements:

- 1. Final review authority shall be retained by the department or by a party agreed upon by the department, the La. Association of Health Plans, and the La. Independent Pharmacies Association.
- 2. An increased reimbursement if there is a finding that a reimbursement is unreasonable.
- 3. The department shall define reasonableness in relation to the contractual rate paid by the department to the managed care organization.

<u>Proposed law</u> provides that the department shall not amend any contract unless such amendment shall not increase the actuarially sound rate paid as of March 1, 2015.

<u>Proposed law</u> provides that after June 15, 2016, no managed care organization shall pay a local pharmacy a per-prescription reimbursement at a rate less than the Medicaid rate unless the department provides a dispute process. Finally, the full cost for implementing these provisions shall be the responsibility of the department through allocation of existing budget resources and not additional appropriations.

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

(Adds R.S. 46:460.36)

Summary of Amendments Adopted by Senate

<u>Committee Amendments Proposed by Senate Committee on Health and Welfare to the original bill</u>

- (1) Adds definitions.
- (2) Provides for reimbursing certain pharmacies by managed care organizations.

Committee Amendments Proposed by Senate Committee on Finance to the engrossed bill

- (1) Relative to any contract between the Department of Health and Hospitals and a managed care organization that provides for pharmacy reimbursement shall provide for a dispute process for local pharmacies.
- (2) Such dispute review process shall include the following minimal elements:
 - (a) Final review authority shall be retained by the department or by a party agreed upon by the department, the La. Association of Health Plans, and the La. Independent Pharmacies Association.
 - (b) An increased reimbursement if there is a finding that a reimbursement is unreasonable.
 - (c) The department shall define reasonableness in relation to the contractual rate paid by the department to the managed care organization.
- (3) The department shall not amend any contract unless such amendment shall not increase the actuarially sound rate paid as of March 1, 2015.
- (4) After June 15, 2016, no managed care organization shall pay a local pharmacy a perprescription reimbursement at a rate less than the Medicaid rate unless the department provides a dispute process.
- (5) The full cost for implementing these provisions shall be the responsibility of the department through allocation of existing budget resources and not additional appropriations.