

2016 Regular Session

HOUSE BILL NO. 835

BY REPRESENTATIVE SEABAUGH

INSURANCE/HEALTH: Provides relative to audits of pharmacy records

1 AN ACT

2 To amend and reenact R.S. 22:1856(B), relative to audits of pharmacy records; to specify  
3 the timing of such audits; and to provide for related matters.

4 Be it enacted by the Legislature of Louisiana:

5 Section 1. R.S. 22:1856(B) is hereby amended and reenacted to read as follows:

6 §1856. Thirty-day payment standard; limitations on claim filing and audits;  
7 remittance advice

8 \* \* \*

9 B. Health insurance issuers that limit the period of time that a pharmacist or  
10 pharmacy under contract for delivery of covered benefits has to submit claims for  
11 payment under R.S. 22:1853 or 1854 shall have the same limited period of time  
12 following payment of such claims to perform any review or audit for purposes of  
13 reconsidering the validity of such claims. This Subsection shall not apply to audits  
14 conducted according to the provisions of R.S. 22:1856.1.

15 \* \* \*

16 Section 2. The provisions of this Act shall apply only to contracts entered into,  
17 amended, extended, or renewed on or after January 1, 2017.

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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)]

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HB 835 Original

2016 Regular Session

Seabaugh

**Abstract:** Eliminates a conflict in present law relative to the timing of onsite audits.

Present law provides for criteria for the conduct of an onsite audit of the records of a pharmacy by a managed care company, insurance company, third-party payor, or the representative of the managed care company, including a pharmacy benefit manager, insurance company, or third-party payor. Among such criteria is a limitation of such an audit at a particular pharmacy by any such entity to one time annually except, however, when an entity must return to a pharmacy to complete an audit already in progress, or there is an identified history of errors, an identified activity which a reasonable man would believe to be inappropriate, or illegal activity that the entity has brought to the attention of the pharmacy owner or corporate headquarters of the pharmacy.

Present law also provides that health insurance issuers that limit the period of time that a pharmacist or pharmacy under contract for delivery of covered benefits has to submit claims for payment pursuant to specific claims submission standards shall have the same limited period of time following payment of such claims to perform any review or audit for purposes of reconsidering the validity of such claims.

Proposed law eliminates this conflict in present law by providing that present law relative to reviews or audits made pursuant to certain claims submission standards shall not apply to present law relative to onsite audits of the records of a pharmacy.

Proposed law provides that it shall apply only to contracts entered into, amended, extended, or renewed on or after January 1, 2017.

(Amends R.S. 22:1856(B))