HLS 22RS-403 ORIGINAL

2022 Regular Session

HOUSE BILL NO. 595

1

BY REPRESENTATIVE TURNER

INSURANCE/HEALTH: Modifies notice requirements relative to spread pricing and retainments of pharmacy benefit managers

AN ACT

2	To amend and reenact R.S. 22:1867(B)(2) and (4) and (C) and to enact R.S. 22:1867(D),
3	relative to the required notice issued to policyholders with prescriptions affected by
4	spread pricing; to require such notice to include additional information with respect
5	to policyholders' copayments, funds retained by pharmacy benefit managers, and
6	non-aggregate amounts of spread pricing charged by pharmacy benefit managers; to
7	require notice issuance to additional benefit recipients; to provide for an effective
8	date; and to provide for related matters.
9	Be it enacted by the Legislature of Louisiana:
10	Section 1. R.S. 22:1867(B)(2) and (4) and (C) are hereby amended and reenacted
11	and R.S. 22:1867(D) is hereby enacted to read as follows:
12	§1867. Prohibition on spread pricing; notice exception
13	* * *
14	B. The Notwithstanding any provision of law to the contrary, the notice
15	issued by a pharmacy benefit manager, or a health insurance issuer where the health
16	insurance issuer has agreed to issue the notice, that utilizes spread pricing shall be:
17	* * *
18	(2) Delivered to the policy holder policyholder and include all of the
19	following:
20	(a) The policyholder's copayment amount for a respective prescription.

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1	(b) The amount paid by the issuer's or plan provider's pharmacy benefit
2	manager to the pharmacy for a prescription.
3	(c) The amount of payment received by the pharmacy benefit manager as a
4	kickback from the issuer of the plan associated with the prescription.
5	(d) Any amount of funds shared between the pharmacy benefit manager and
6	the plan associated with the prescription.
7	* * *
8	(4) Indicative of the aggregate non-aggregate amount of spread pricing
9	charged by the pharmacy benefit manager during the period.
10	* * *
11	C. The notice prescribed in Subsection B of this Section shall also be issued
12	to Medicare Advantage recipients and members participating in programs sponsored
13	by the Office of Group Benefits.
14	C. D. Any violation of this Section that is committed or performed with such
15	frequency as to indicate a general business practice shall be subject to the provisions
16	of the Unfair Trade Practices and Consumer Protection Law, R.S. 51:1401 et seq.,
17	as provided in R.S. 40:2870(B).
18	Section 2. This Act shall become effective on July 1, 2023.

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)]

HB 595 Original

2022 Regular Session

Turner

Abstract: Requires additional notice to policyholders with respect to policyholders' copayments and retainments by pharmacy benefit managers through spread pricing and requires notice issuance to Medicare Advantage recipients and members of the Office of Group Benefits.

<u>Present law</u> prohibits spread pricing in the state of La. unless the pharmacy benefit manager provides biannual notice to the policyholder of the aggregate amount of spread pricing charged by the pharmacy benefit manager during the notice period. <u>Proposed law</u> retains present law.

Notwithstanding any other law to the contrary, <u>proposed law</u> further requires the notice to contain the policyholder's copayment amount for a respective prescription, the amount paid by the pharmacy benefit manager to the pharmacy for the prescription, the amount of

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payment received by the pharmacy benefit manager as a kickback from the issuer of the plan associated with the prescription, and any amount of funds shared between the pharmacy benefit manager and the plan associated with the prescription.

<u>Present law</u> requires the notice to indicate the aggregate amount of spread pricing charged by the pharmacy benefit manager during the period. <u>Proposed law</u> changes the amount indication <u>from</u> aggregate <u>to</u> non-aggregate. Otherwise retains <u>present law</u>.

<u>Proposed law</u> requires notice issuance to Medicare Advantage recipients and members participating in programs sponsored by the Office of Group Benefits.

Effective July 1, 2023.

(Amends R.S. 22:1867(B)(2) and (4) and (C); Adds R.S. 22:1867(D))