

SENATE BILL NO. 130

BY SENATOR MILLS

1 AN ACT

2 To enact Subpart L of Part III of Chapter 17 of Subtitle III of Title 39 of the Louisiana
3 Revised Statutes of 1950, to be comprised of R.S. 39:1648, relative to Medicaid
4 payments for pharmacy benefit manager services; to provide for managed care
5 contracts; to provide for Medicaid managed care subcontracts; and to provide for
6 related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. Subpart L of Part III of Chapter 17 of Subtitle III of Title 39 of the
9 Louisiana Revised Statutes of 1950, comprised of R.S. 39:1648, is hereby enacted to read
10 as follows:

11 **SUBPART L. MEDICAID MANAGED CARE**

12 **§1648. Medicaid contracts or subcontracts for pharmacy benefit manager**
13 **services**

14 **A. Contracts for pharmacy benefit manager services, either directly with**
15 **the Louisiana Department of Health or as a subcontractor or subsidiary of a**
16 **managed care organization that has a contract with the Louisiana Department**
17 **of Health, shall be awarded based only on the following provisions:**

18 **(1) Any contract for pharmacy benefit manager services shall be limited**
19 **to a transaction fee only, based on a set rate established by the Louisiana**
20 **Department of Health to be paid to the pharmacy benefit manager for each**
21 **Medicaid pharmacy claim processed.**

22 **(2) No pharmacy benefit manager may retain any portion of state**
23 **supplemental rebates or credits submitted to the state by any pharmaceutical**
24 **manufacturer.**

25 **(3) No pharmacy benefit manager may retain any portion of "spread**
26 **pricing". For purposes of this Section, "spread pricing" shall mean any amount**
27 **charged or claimed by a pharmacy benefit manager to a managed care**
28 **organization that is in excess of the amount paid to the pharmacy that filled the**

1 prescription.

2 B. Any Louisiana Department of Health contract in existence on August
3 1, 2018, with a pharmacy benefit manager or with a managed care organization
4 that subcontracts or has a subsidiary pharmacy benefit manager may be
5 amended to comply with the provisions of this Section. The department may
6 terminate the contract with any managed care organization or pharmacy
7 benefit manager who is not willing to amend their contract to comply with the
8 provisions of this Section, and the provision of this service shall be opened for
9 bid to other pharmacy benefit managers in accordance with the Louisiana
10 Procurement Code, R.S. 39:1551 et seq.

11 C. After August 1, 2018, any subsequent requests for proposal issued by
12 the Louisiana Department of Health for Medicaid managed care organization
13 services that include the provision of pharmacy or pharmacy benefit manager
14 services shall include the provisions of Subsection A of this Section.

15 D. No pharmacy benefit manager or Medicaid managed care
16 organization that subcontracts or has a subsidiary pharmacy benefit manager
17 shall deny any Louisiana licensed pharmacy or Louisiana licensed pharmacist
18 the right to be a participating provider in the managed care organization or
19 pharmacy benefit manager's provider network if the pharmacy or pharmacist
20 meets all requirements of participation in the state Medicaid program.

21 E. The Louisiana Department of Health shall promulgate rules as may
22 be necessary to comply with the provisions of this Section in accordance with
23 the Administrative Procedure Act, R.S. 49:950 et seq.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____