

2024 Regular Session

SENATE BILL NO. 311

BY SENATOR EDMONDS

INSURANCE DEPARTMENT. Provides for audits of pharmacy records. (8/1/24)

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AN ACT

To amend and reenact R.S. 22:1852(7), the introductory paragraph of 1856.1(B), and 1856.1(B)(2)(b) and (G) and to enact R.S. 22:1856.1(H), relative to audits of pharmacy claims records; to include agent within the definition of health insurance issuer; to provide for reviews of pharmacy records; to provide requirements for pharmacy reviews; to provide exemptions to a pharmacy review; to provide for enforcement; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1852(7), the introductory paragraph of 1856.1(B), and 1856.1(B)(2)(b) and (G) are hereby amended and reenacted and R.S. 22:1856.1(H) is hereby enacted to read as follows:

§1852. Definitions

As used in this Subpart, the following terms shall be defined as follows:

\* \* \*

(7) "Health insurance issuer" means an insurance company **or its agent**, including a health maintenance organization as defined and licensed pursuant to Subpart I of Part I of Chapter 2 of this Title, unless preempted as an employee

1 benefit plan under the Employee Retirement Income Security Act of 1974. For  
2 purposes of this Subpart, a "health insurance issuer" shall include the Office of  
3 Group Benefits.

4 \* \* \*

5 §1856.1. Pharmacy record audits; recoupment; appeals; **commissioner**  
6 **investigations**

7 \* \* \*

8 B. Notwithstanding any other provision of law to the contrary, when an audit  
9 **or other review** of the records of a pharmacy is conducted by an entity, the audit  
10 shall be conducted in accordance with the following criteria:

11 \* \* \*

12 (2)(a)

\* \* \*

13 (b) Nothing in this Paragraph shall prohibit review of a claim filed by a  
14 pharmacy to determine if the claim is payable or is paid correctly. ~~Such~~ **The** review  
15 ~~may require the submission of prescription copies and other documentation related~~  
16 ~~to the specific claims under review but~~ shall not require the pharmacy to provide any  
17 additional information ~~not related to those specific claims.~~

18 \* \* \*

19 G. This Section shall not apply ~~to:~~ **to**

20 ~~(1) Any quality assurance review, as defined by the time period prior to the~~  
21 ~~reimbursement by the entity to the pharmacy.~~

22 ~~(2) An~~ **an** investigation that is initiated based on or that involves suspected  
23 or alleged fraud, willful misrepresentation, or abuse. **Any entity conducting an**  
24 **audit in accordance with this Subsection shall provide notice of the investigation**  
25 **and information related to the alleged fraud, willful misrepresentation, or abuse**  
26 **to the division of insurance fraud with the department prior to auditing the**  
27 **pharmacy in a format determined by the commissioner.**

28 **H. If, upon investigation, the commissioner finds a violation of this**  
29 **Section has occurred, either on his own initiative or in response to a complaint**

1           **filed with the department, the commissioner shall take appropriate enforcement**  
 2           **action, which may include to suspend or revoke the entity's license in**  
 3           **accordance with the provisions of this Title.**

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Beth O'Quin.

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## DIGEST

SB 311 Original

2024 Regular Session

Edmonds

Present law defines "health insurance issuer".

Proposed law retains present law and adds an agent is within the meaning of a "health insurance issuer".

Present law provides certain requirements for an audit of a pharmacy's records.

Proposed law retains present law and adds "other reviews" of a pharmacy's records.

Present law provides a claim filed by a pharmacy can be audited to determine if the claim is payable or is paid correctly. Present law provides that a managed care company, insurer, third-party, or their representatives may require the submission of prescription copies and other documents related to the claim under review.

Proposed law retains present law but removes the provision that a pharmacy is required to provide prescription copies and other documentation that are related to the claim being audited.

Present law provides certain requirements for a pharmacy when the pharmacy receives an adverse determination for an audited pharmacy record.

Present law provides pharmacy record audits do not apply in certain circumstances.

Proposed law retains present law and adds that if the commissioner of insurance investigates a managed care company, insurer, or third party payer, by his own initiative or in response to a complaint and finds a violation has occurred, the commissioner shall take appropriate enforcement action, which may include suspending or revoking the license of the managed care company, insurer, or third party payer in accordance with present law.

Effective August 1, 2024.

(Amends R.S. 22:1852(7), 1856.1(B), (intro para), and 1856.1(B)(2)(b) and (G); adds R.S. 22:1856.1(H))