## SLS 21RS-260

## ORIGINAL

2021 Regular Session

SENATE BILL NO. 94

BY SENATOR HARRIS

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

INSURERS. Provides relative to insurance cost-sharing practices. (gov sig)

1	AN ACT
2	To amend and reenact R.S. 22:1641(8) and to enact R.S. 22:976.1, relative to prohibitions
3	on certain health insurance cost-sharing practices; to provide for definitions; to
4	provide for fairness in enrollee cost-sharing; and to provide for related matters.
5	Be it enacted by the Legislature of Louisiana:
6	Section 1. R.S. 22:1641(8) is hereby amended and reenacted and R.S. 22:976.1 is
7	enacted to read as follows:
8	§1641. Definitions
9	As used in this Part, unless the context requires otherwise, the following
10	definitions shall be applicable:
11	* * *
12	(8) "Pharmacy benefit manager" means a person, business, or other entity and
13	any wholly or partially owned or controlled subsidiary of such entity that either
14	directly or through an intermediary manages or administers the prescription drug
15	or and device portion of one or more health benefit plans on behalf of a third party,
16	including insurers, plan sponsors, insurance companies, unions, and health
17	maintenance organizations, in accordance with a pharmacy benefit management

Page 1 of 4 Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions.

1	plan. The management or administration of a plan may include but is not
2	limited to review, processing of drug prior authorization requests, adjudication
3	of appeals and grievances related to the prescription drug benefit, contracting
4	with network pharmacies, and controlling the cost of covered prescription
5	drugs.
6	* * *
7	§976.1. Fairness in enrollee cost-sharing
8	A. As used in this Section the following definitions shall apply:
9	(1) "Cost-sharing requirement" means any copayment, coinsurance,
10	deductible, or annual limitation on cost-sharing including but not limited to a
11	limitation subject to 42 U.S.C.A. 18022(c) and 300gg-6(b), required by or on
12	behalf of an enrollee in order to receive a specific health care service, including
13	a prescription drug, covered by a health benefit plan.
14	(2) "Enrollee" means an individual who is enrolled or insured by a
15	health insurance issuer for health care services.
16	(3) "Health benefit plan" means health care services provided directly
17	through insurance, reimbursement, or other means, and including items and
18	services paid for as health care services under any hospital or medical service
19	policy or certificate, hospital or medical service plan contract, preferred
20	provider organization contract, or health maintenance organization contract
21	offered by a health insurance issuer.
22	(4) "Health care services" means items or services furnished to any
23	individual for the purpose of preventing, alleviating, curing, or healing human
24	illness, injury, mental, or physical disability.
25	(5) "Health insurance issuer" means any entity that offers health
26	insurance coverage through a health benefit plan, policy, or certificate of
27	insurance subject to state law that regulates the business of insurance. "Health
28	insurance issuer" includes a health maintenance organization as defined and
29	licensed pursuant to Subpart I of Part I of Chapter 2 of this Title and the office

1	<u>of group benefits as created pursuant to Chapter 12 of Title 42 of the Louisiana</u>
2	Revised Statutes of 1950.
3	(6) "Person" means a natural person, corporation, mutual company,
4	unincorporated association, partnership, joint venture, limited liability
5	company, trust, estate, foundation, not-for-profit corporation, unincorporated
6	organization, government or governmental subdivision, or agency.
7	<b>B.</b> When calculating an enrollee's contribution to any applicable
8	cost-sharing requirement, a health insurance issuer shall include any
9	cost-sharing amounts paid by the enrollee or on behalf of the enrollee by
10	another person.
11	C. In implementing the requirements of this Section, the state shall
12	regulate a health insurance issuer only to the extent permissible under
13	applicable law.
14	<b>D.</b> The commissioner of insurance may promulgate rules and regulations
15	necessary to implement this Section.
16	Section 3. This Act shall become effective upon signature by the governor or, if not
17	signed by the governor, upon expiration of the time for bills to become law without signature
18	by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
19	vetoed by the governor and subsequently approved by the legislature, this Act shall become
20	effective on the day following such approval.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Cheryl Cooper.

SB 94 Original

DIGEST 2021 Regular Session

Harris

<u>Present law</u> provides for regulations and definitions for third-party administrators, defining "pharmacy benefit manager" as a person, business, or other entity and any wholly or partially owned or controlled subsidiary of the entity that administers a pharmacy benefit management plan.

<u>Proposed law</u> retains this provision but allows administrator either directly or through an intermediary manager.

<u>Proposed law</u> retains <u>present law</u> and specifies that for the definition of "pharmacy benefit manager", the management or administration of a benefit plan may include review, processing of drug prior authorization requests, adjudication of appeals and grievances

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related to the prescription drug benefit, contracting with network pharmacies, and controlling the cost of covered prescription drugs.

<u>Proposed law</u> provides for fairness in enrollee cost-sharing. Defines terms for purposes of <u>proposed law</u>, including "cost-sharing requirement", "enrollee", "health benefit plan", "health care services", "health insurance issuer", and "person".

<u>Proposed law</u> provides that when calculating an enrollee's contribution to any applicable cost-sharing requirement, a health insurance issuer shall include any cost sharing amounts paid by the enrollee or on behalf of the enrollee by another person.

<u>Proposed law</u> provides that in implementing the requirements of <u>proposed law</u>, the state shall regulate a health insurance issuer only to the extent permissible under applicable law. Allows the commissioner of insurance to promulgate rules and regulations necessary to implement <u>proposed law</u>.

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

(Amends R.S. 22:1641(8); adds R.S. 22:976.1)