HLS 17RS-1138 ENGROSSED

2017 Regular Session

HOUSE BILL NO. 306

1

BY REPRESENTATIVE JOHNSON

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

MEDICAID: Provides relative to pharmacy reimbursement by managed care organizations

AN ACT

2	To amend and reenact R.S. 46:460.36(D) and to repeal R.S. 46:460.36(B), (C), and (E),
3	relative to Medicaid managed care pharmacy reimbursements; to provide for the base
4	of reimbursement for prescription drugs; to repeal provisions regarding ingredient
5	cost reimbursement; to repeal requirements for a dispute process; to repeal cost
6	provisions; and to provide for related matters.
7	Be it enacted by the Legislature of Louisiana:
8	Section 1. R.S. 46:460.36(D) is hereby amended and reenacted to read as follows:
9	§460.36. Pharmacy reimbursement by managed care organizations
10	* * *
11	D. After June 15, 2016, no No managed care organization shall pay a local
12	pharmacy a per-prescription reimbursement at a rate less than the legacy Medicaid
13	rate. unless its contract with the department provides for a reimbursement dispute
14	process as described in Subsection C of this Section.
15	Section 2. R.S. 46:460.36(B), (C), and (E) are hereby repealed in their entirety.
16	Section 3. This Act shall become effective on July 1, 2017.

## **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 306 Engrossed

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Johnson

**Abstract:** Requires the base of reimbursement by managed care organizations for prescription drugs to be at least equal to the legacy Medicaid rate.

<u>Present law</u> prohibits a managed care organization (MCO) from paying a local pharmacy a per-prescription reimbursement at a rate less than the legacy Medicaid rate unless its contract with the La. Dept. of Health (LDH) provides for a reimbursement dispute process.

<u>Proposed law</u> removes the option to include a reimbursement dispute process to allow a reimbursement rate less than the legacy Medicaid rate.

<u>Present law</u> authorizes an MCO to negotiate the ingredient cost reimbursement in its contracts with providers.

Proposed law repeals present law.

<u>Present law</u> requires any contract between LDH and an MCO that includes provisions for pharmacy reimbursement to provide for a reimbursement dispute process for local pharmacies.

Proposed law repeals present law.

<u>Present law</u> requires the full cost of implementing and performing the provisions of <u>present law</u> to be the responsibility of LDH through a reallocation of existing budget resources and not through additional appropriations.

Proposed law repeals present law.

Effective July 1, 2017.

(Amends R.S. 46:460.36(D); Repeals R.S. 46:460.36(B), (C), and (E))

## Summary of Amendments Adopted by House

The Committee Amendments Proposed by <u>House Committee on Health and Welfare</u> to the <u>original</u> bill:

- 1. Repeal authorization for an MCO to negotiate the ingredient cost reimbursement with providers.
- 2. Repeal the requirement that a contract between LDH and an MCO provide for a reimbursement dispute process for local pharmacies.
- 3. Repeal the requirement for the full cost of implementing <u>present law</u> to be the responsibility of LDH through a reallocation of existing budget resources.
- 4. Change the effective date of the Act <u>from</u> effective upon signature of the governor <u>to</u> July 1, 2017.
- 5. Make technical changes.

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.