SLS 24RS-440 ORIGINAL

2024 Regular Session

SENATE BILL NO. 241

BY SENATOR TALBOT

HEALTH/ACC INSURANCE. Provides relative to coverage of certain physician-administered drugs. (gov sig)

2 To amend and reenact R.S. 22:1020.53(A)(1), relative to physician-administered drugs; to

provide for insurance reimbursement for physician-administered drugs from certain

AN ACT

sources; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

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Section 1. R.S. 22:1020.53(A)(1) is hereby amended and reenacted to read as follows:

§1020.53. Physician-administered drugs; access; payment

A.(1) A health insurance issuer, pharmacy benefit manager, or their agent shall not refuse to authorize, approve, or pay a participating provider for providing covered physician-administered drugs and related services to covered persons. A health insurance issuer shall not condition, deny, restrict, refuse to authorize or approve, or reduce payment to a participating provider for a physician-administered drug when all criteria for medical necessity are met; because the participating provider obtains physician-administered drugs from a pharmacy that is not a participating provider in the health insurance issuer's network <u>or from a wholesaler</u>, distributor, or other source not selected by the health insurance issuer,

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pharmacy benefits manager, or their agent. The drug supplied shall meet the supply chain security controls and chain of distribution set by the federal Drug Supply Chain Security Act, Pub. L. 113-54, as amended. The payment shall be at the rate set forth in the health insurance issuer's agreement with the participating provider applicable to such drugs, or if no such rate is included in the agreement, then at the wholesale acquisition cost. A health insurance issuer, pharmacy benefit manager, or their agent, shall not require a covered person to pay an additional fee, or any other increased cost-sharing amount in addition to applicable cost-sharing amounts payable by the covered person as designated within the benefit plan to obtain the physician-administered drug when provided by a participating provider. However, nothing in this Subpart shall prohibit a health insurance issuer or its agent from establishing differing copayments or other cost-sharing amounts within the benefit plan for covered persons who acquire physician-administered drugs from other providers. Nothing in this Subpart shall prohibit a health insurance issuer or its agent from refusing to authorize or approve, or from denying coverage of a physician-administered drug based upon failure to satisfy medical necessity criteria. For purposes of this Section, the location of receiving the physician-administered drug shall not be included in the medical necessity criteria.

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Section 2. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become 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 Brandi Cannon.

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<u>Present law</u> prohibits a health insurance issuer, pharmacy benefit manager, or their agent from refusing to authorize, approve, or pay a participating provider for providing covered physician-administered drugs and related services to covered persons.

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

<u>Proposed law</u> retains <u>present law</u>.

<u>Present law</u> prohibits a health insurance issuer, pharmacy benefit manager, or their agent from conditioning, denying, restricting, refusing to authorize or approve, or reducing payment to a participating provider for a physician-administered drug when all criteria for medical necessity are met because the participating provider obtains physician-administered drugs from a pharmacy that is not a participating provider in the health insurance issuer's network.

<u>Proposed law</u> retains <u>present law</u> and extends the payment protection to apply to a physician-administered drug that is obtained from a wholesaler, distributor, or other source not selected by the health insurance issuer, pharmacy benefits manager, or their agent.

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

(Amends R.S. 22:1020.53(A)(1))