

State of Louisiana

Pharmacy Benefit Manager (PBM) Monitoring Advisory Council

Commissioner, La. Dept. of Insurance
President, La. State Board of Medical Examiners
President, La. Board of Pharmacy
Attorney General
Director, Public Protection Division, La. Dept. of Justice
Secretary, La. Dept. of Health
President, La. Academy of Physician Assistants
President, La. State Medical Society
President, La. Association of Nurse Practitioners
President, La. Pharmacists Association
President, La. Independent Pharmacies Association
President, National Association of Chain Drug Stores
President, Pharmaceutical Research & Manufacturers of America
President, La. Academy of Medical Psychologists
President, La. Association of Health Plans
President, of a PBM licensed by the Board of Pharmacy and selected by the Louisiana
affiliate of the Pharmaceutical Care Management Association
President, La. Association of Business & Industry
Chief Executive Officer, La. Business Group on Health
President, La. AFL-CIO
President, La. Association of Health Underwriters
The Governor
Chair, House Committee on Insurance
Chair, Senate Committee on Insurance
Chair, House Committee on Health & Welfare
Chair, Senate Committee on Health & Welfare

Meeting Minutes

April 11, 2024

A regular meeting of the council was held on Thursday, April 11, 2024 in the Poydras Hearing Room at the Louisiana Department of Insurance (LDI), located at 1702 North Third Street in Baton Rouge, Louisiana 70802. The meeting was conducted in a hybrid meeting format, in-person and by electronic means (Zoom).

1. Call to Order

In the absence of Chairman Mills and Vice-Chair Turner, Mr. Marty McKay called the meeting to order at approximately 10:35 a.m.

2. Quorum Call

Mr. McKay asked Mr. Fontenot to call the roll of members to establish a quorum.

Members Present:

Mr. Frank Opelka (For the Commissioner, Louisiana Dept. of Insurance)
Mr. Marty McKay (President, Louisiana Board of Pharmacy)
Mr. D. Jeddie Smith, Jr. (For the Louisiana Attorney General)
Mr. Michael Dupree (Director of the Public Protection Division, La. DOJ)
Ms. E. Sue Fontenot (For the Secretary, Louisiana Dept. of Health) *
Ms. Lauren Bailey (For the President, Louisiana State Medical Society) *
Dr. Lisa Bayhi (For the President, La. Association of Nurse Practitioners) *
Mr. Scott Black (For the President, Louisiana Pharmacists Association) *
Mr. Charlie Corona (For the President, La. Independent Pharmacies Assoc.)
Ms. Mary Staples (For the President, National Assoc. of Chain Drug Stores) *
Mr. Jeff Drozda (For the President, Louisiana Association of Health Plans) *
Mr. Robert Rieger (For the President of a PBM / Prime Therapeutics / PCMA)
Ms. Diane Davidson (For the CEO, Louisiana Business Group on Health) *
Ms. Kristy Copeland (For the President, La. Assoc. of Health Underwriters)
Rep. Gabe Firment (Chairman, House Committee on Insurance) *
(* - participated by electronic means)

Members Absent:

The President of the Louisiana State Board of Medical Examiners
The President of the Louisiana Academy of Physician Assistants
The President of the Pharmaceutical Research & Manufacturers of America
The President of the Louisiana Academy of Medical Psychologists
The President of the Louisiana Association of Business & Industry
The President of the Louisiana AFL-CIO
The Governor
The Chairman of the Senate Committee on Insurance
The Chairman of the House Committee on Health & Welfare
The Chairman of the Senate Committee on Health & Welfare

Staff Present:

Mr. Joe Fontenot (Executive Director, Louisiana Board of Pharmacy)

Guests Present:

Ms. Shelly Dupre, Louisiana Association of Retail Pharmacies

Ms. Crystal Carter, Louisiana Pharmacists Association

Mr. Fontenot certified 15 of 25 members were present, constituting a quorum for the conduct of official business.

3. Consideration of Minutes from Previous Meeting

Mr. McKay reminded the members they had received the draft minutes from the previous meeting held on February 7, 2024 with the meeting notice. The minutes were also posted on the Council's webpage on the Board of Pharmacy's website as well as the LaTrac website. With no objections, Mr. McKay waived the reading of the draft minutes. With no requests for amendments or corrections, and with no objection, Mr. McKay declared the minutes were approved as presented.

4. Opportunity for Public Comment

Mr. McKay solicited public comments from those in attendance, both in-person and through electronic means, there were none. Additionally, there were no public statements or comments on agenda items received via email pursuant to the agenda notice.

5. Review of Legislation

Handouts in regard to HB 704 and SB 281 were distributed to the members and guests present in-person and made available to everyone attending through electronic means.

Mr. Rieger (PCMA) provided an overview of HB 704, by Representative Tehmi Chassion, which creates a pharmacy benefit manager quality incentive program.

Mr. McKay then referenced SB 281, by Senator Rick Edmonds, which is in regard to pharmacy record audits. Mr. McKay asked if someone from LIPA could provide an overview. Mr. Corona from LIPA indicated he was not prepared to provide an overview but offered contact information for anyone with questions.

With respect to SB 281, Mr. Rieger expressed a concern with the bill because it would not allow an auditor to request supplemental information involving a claim.

Ms. Staples (NACDS) questioned why the PBM quality incentive program bill (HB 704) was limited to certain pharmacies. Mr. Rieger stated the bill was designed to allow smaller pharmacies the ability to participate in something that the large network pharmacies already have the economic ability to do on their own. Ms. Staples stated she would like to see the bill amended to allow any pharmacy willing to participate to do so, in order to benefit patients.

6. Review of Industry Trends and Emerging Issues

Mr. McKay solicited comments from the members, but none were offered.

7. Review of Rulemaking Activity

The members had no rulemaking activity to report.

8. Calendar Notes

Mr. McKay asked Mr. Fontenot to update the members in regards to calendar notes. Mr. Fontenot reminded the members that the 2 remaining tentative meeting dates for calendar year 2024 are July 10 and October 9.

It was noted that a question was posed by a participant through electronic means.

Dr. Vincent Ekenge, PharmD, asked if the incentive program bill (HB 704) designates the amount of reimbursement for each action and what types of actions and what range of reimbursement is projected?

Mr. Rieger explained the programs were designed to be extremely flexible to focus on specific patient conditions or disease states, but could not speak to reimbursement.

Another question was presented electronically from Dunleavy – *“When will Louisiana allow 503a or 503b from outside Louisiana compound pharmacies allow citizens to receive needed medications?”*

Mr. McKay asked Mr. Fontenot to respond. Mr. Fontenot explained, 503A pharmacies are licensed with the Board of Pharmacy and can provide compounded prescriptions to patients pursuant to patient-specific prescriptions. He further explained, 503Bs which are called Outsourcing Facilities are registered by the FDA and are able to provide or distribute their products to health systems or clinics. A recent question posed to the Board of Pharmacy was whether a 503B can distribute to retail pharmacies which is the subject of a “draft” guidance from FDA in June 2023. Mr. Fontenot stated, FDA will have to answer the question as to whether a 503B can distribute to a retail pharmacy.

Representative Gabe Firment provided a message electronically to all those in attendance that HB 704, HB 509, and HB 603 will be heard in House Committee on Insurance the following Tuesday.

An anonymous question in the electronic messaging asked, *“Would PCMA accept an amendment to the incentive bill which would allow all licensed pharmacies to voluntarily participate and also to prohibit any fee from being charged to any pharmacy by the PBM?”*

Mr. Rieger responded by stating the questions would be taken under advisement.

Ms. Kristy Copeland (La. Assoc. of Health Underwriters) mentioned SB 100 which provides health insurance coverage for certain injectable drugs (GLP-1 drugs). She was concerned in regard to the impact the bill would have to the cost of coverage for individuals and health plans.

Mr. Opelka responded that the Department of Insurance has a fiscal note estimate in regard to SB 100. He stated, the industry impact for next year is estimated between 146-194 million dollars in claim costs and 172-229 million dollars in premium increases. Additionally, a state general fund impact is estimated between 43-58 million dollars in claim costs and 51-68 million dollars in premium increases.

9. Adjourn

Having completed the tasks itemized on the posted agenda, with no further business pending before the council and without objection, Mr. McKay adjourned the meeting at approximately 11:02 a.m.

Minutes approved during subsequent meeting of the Council on July 10, 2024.