



Louisiana Board of Pharmacy

3388 Brentwood Drive
Baton Rouge, Louisiana 70809-1700
Telephone 225.925.6496 ~ E-mail: info@pharmacy.la.gov



August 10, 2018

Senator John A. Alario, Jr, President
Louisiana Senate
Via Email: APA.SenatePresident@legis.la.gov

Electronic Mail – Delivery Receipt Requested

Re: Report No. 1 of 3 for Regulatory Project 2018-2 ~ Louisiana Uniform Prescription Drug Prior Authorization Form

Dear Senator Alario:

The Board has initiated the rulemaking process to create a new rule and prescription drug prior authorization form as required by Act 423 of the 2018 Legislature. The proposed rule will require all prescribers and pharmacies to use the *Louisiana Uniform Prescription Drug Prior Authorization Form* or an electronic equivalent thereof. As required by the legislation the Board of Pharmacy is collaborating with the Board of Medical Examiners on this project, and we have both collaborated with the other stakeholders identified in the legislation for the creation of the standard form to be used by all parties in the state. In connection with this regulatory project, the following documents are attached:

- Act 423 of 2018 Legislature
- Notice of Intent
- Proposed Rule & Form
- Family Impact Statement
- Poverty Impact Statement
- Provider Impact Statement
- Regulatory Flexibility Analysis
- Solicitation of Comments
- Fiscal & Economic Impact Statement

As indicated in the solicitation, we will convene a public hearing on September 28, 2018 to receive public comments and testimony on this proposed rule and form. We will summarize those comments and our responses thereto in our next report to you. In the event you have any questions or need additional information about this project, please contact me directly at mbroussard@pharmacy.la.gov or 225.925.6481.

For the Board:

Malcolm J. Broussard
Executive Director

cc: Chair, Senate Health & Welfare Committee
Via Email: APA.S-H&W@legis.la.gov
Speaker, House of Representatives
Via Email: APA.HouseSpeaker@legis.la.gov
Chair, House Health & Welfare Committee
Via Email: APA.H-HW@legis.la.gov
Director, Community Outreach Services, La. Economic Development
Via Email: Pat.Witty@la.gov
Editor, *Louisiana Register*
Via Email: Reg.Submission@la.gov
Reference File

SENATE BILL NO. 29

BY SENATOR MILLS

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AN ACT

To amend and reenact R.S. 22:1006.1(A)(4) and (B) and R.S. 46:460.33 and to enact R.S. 22:1006.1(C), (D), and (E), and 1651(J), relative to a single uniform prescription drug prior authorization form; to provide for applicability to health insurance issuers and Medicaid managed care organizations; to provide for promulgation of the form by the Louisiana Board of Pharmacy and the Louisiana State Board of Medical Examiners; to provide for the authority to impose sanctions pursuant to current regulatory and contract authority; to provide for licensure requirement; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1006.1(A)(4) and (B) are hereby amended and reenacted and R.S. 22:1006.1(C), (D), and (E) and 1651(J) are hereby enacted to read as follows:

§1006.1. Prior authorization forms required; criteria

A. As used in this Section:

* * *

(4) "Prior authorization form" shall mean a ~~standardized, uniform application developed by a health insurance issuer~~ **single uniform prescription drug prior authorization form used by all health insurance issuers, including any health insurance issuer pharmacy benefit managers,** for the purpose of obtaining prior authorization.

B. Notwithstanding any other provision of law to the contrary, in order to establish uniformity in the submission of **prescription drug** prior authorization forms, on and after January 1, ~~2013~~ **2019**, a health insurance issuer shall utilize only a single, ~~standardized prior authorization~~ **uniform prescription drug prior authorization** form for obtaining any prior authorization for prescription drug benefits. **The requirement for a single uniform prescription drug prior authorization form shall not apply to prior authorization of specialty drugs or**

1 in cases where electronic prescriptions are utilized. The form shall not exceed two
 2 pages in length, excluding any instructions or guiding documentation. The only
 3 form allowable for use shall be the form jointly promulgated by the Louisiana
 4 Board of Pharmacy and the Louisiana State Board of Medical Examiners. A
 5 health insurance issuer may include issuer specific information on the form,
 6 including but not limited to the issuer's name, address, logo, and other contact
 7 information for the issuer. A health insurance issuer may make the form accessible
 8 through multiple computer operating systems. ~~Additionally, the health insurance~~
 9 ~~issuer shall submit its prior authorization forms to the Department of Insurance to be~~
 10 ~~kept on file on or after January 1, 2013. A copy of any subsequent replacements or~~
 11 ~~modifications of a health insurance issuer's prior authorization form shall be filed~~
 12 ~~with the Department of Insurance within fifteen days prior to use or implementation~~
 13 ~~of such replacements or modifications.~~

14 C. The Louisiana Board of Pharmacy and the Louisiana State Board of
 15 Medical Examiners shall promulgate rules and regulations prior to January 1,
 16 2019, that establish the form that shall be utilized by all health insurance
 17 issuers. The boards may consult with the health insurance issuers, Medicaid
 18 managed care organizations, Louisiana Department of Health, and Department
 19 of Insurance as necessary in development of the prior authorization form.

20 D. The Department of Insurance, under its authority in this Title, shall
 21 assess sanctions against any health insurance issuer that directly, or through its
 22 pharmacy benefit managers, utilizes any prescription drug prior authorization
 23 form other than the single uniform prescription drug prior authorization form
 24 provided for in this Section.

25 E. The single uniform prescription drug prior authorization form
 26 provided for in this Section shall be the same as provided for in R.S. 46:460.33.

27 §1651. Licensure required

28 * * *

29 J.(1) Notwithstanding any provision of law to the contrary, an insurer
 30 or pharmacy benefit manager shall not require any license, accreditation,

1 affiliation, or registration other than those required by federal or state
 2 government. Any contract provision in conflict with this Subsection shall be
 3 severable from the contract, considered null and void, and not enforceable in
 4 this state.

5 (2) If any insurer or pharmacy benefit manager denies the jurisdiction,
 6 regulatory, or licensing authority of the Department of Insurance, the attorney
 7 general shall have authority to enforce any provisions of this Subsection, as well
 8 as subjecting the insurer or pharmacy benefit manager to the provisions of R.S.
 9 51:1401 et seq.

10 Section 2. R.S. 46:460.33 is hereby amended and reenacted to read as follows:

11 §460.33. Prior authorization form; requirements

12 A. There shall be a single uniform prescription drug prior authorization
 13 form used by all Medicaid managed care organizations, including any Medicaid
 14 managed care organization pharmacy benefit managers. The requirement for
 15 a single uniform prescription drug prior authorization form shall not apply to
 16 prior authorization of specialty drugs or in cases where electronic prescriptions
 17 are utilized. All managed care organizations shall accept, ~~in addition to any~~
 18 ~~currently accepted facsimile and electronic prior authorization forms, a standard use~~
 19 a single uniform prescription drug prior authorization form, not to exceed two
 20 pages, excluding guidelines or instructions, that has been ~~duly~~ jointly promulgated
 21 by the department Louisiana Board of Pharmacy and the Louisiana State Board
 22 of Medical Examiners in accordance with the Administrative Procedure Act. A
 23 Medicaid managed care organization may include organization specific
 24 information on the form, including but not limited to the organization's name,
 25 address, logo, and other contact information for the organization. A health care
 26 provider may submit the prior authorization form electronically if the Medicaid
 27 managed care organization allows for submission of the form in this manner.

28 B. The department Louisiana Board of Pharmacy and the Louisiana State
 29 Board of Medical Examiners shall promulgate rules and regulations prior to
 30 January 1, ~~2014~~ 2019, that establish the form which shall be utilized by all Medicaid

1 managed care organizations. The ~~department~~ **boards** may consult with the **health**
2 **insurance issuers, Medicaid** managed care organizations, **Louisiana Department**
3 **of Health, and Department of Insurance** as necessary in development of the prior
4 authorization form.

5 **C. Pursuant to its contract with any Medicaid managed care**
6 **organization, the department shall assess sanctions against any Medicaid**
7 **managed care organization that directly or through its pharmacy benefit**
8 **managers, utilizes any prescription drug prior authorization form other than**
9 **the single uniform prescription drug prior authorization form provided for in**
10 **this Section.**

11 **D. The single uniform prescription drug prior authorization form**
12 **provided for in this Section shall be the same as provided for in R.S. 22:1006.1.**

13 Section 3. The provisions of this Section and Section 1 of this Act shall become
14 effective upon signature by the governor or, if not signed by the governor, upon expiration
15 of the time for bills to become law without signature by the governor, as provided by Article
16 III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently
17 approved by the legislature, this Section and Section 1 of this Act shall become effective on
18 the day following such approval.

19 Section 4. The provisions of this Section and Section 2 of this Act shall become
20 effective on January 1, 2019.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____

Notice of Intent

Department of Health Board of Pharmacy

Louisiana Uniform Prescription Drug Prior Authorization Form (LAC 46:LIII.1129 and 1130)

In accordance with the provisions of the Administrative Procedure Act (La. R.S. 49:950 *et seq.*) and the Pharmacy Practice Act (La. R.S. 37:1161 *et seq.*), the Louisiana Board of Pharmacy hereby gives notice of its intent to promulgate a new rule to establish the Louisiana Uniform Prescription Drug Prior Authorization Form. The rule will require all pharmacies, prescribers, and third-party payors to use this form when prior authorizations for prescription drugs are required. This rulemaking activity is required by Act 423 of the 2018 Legislature and is in collaboration with the Louisiana State Board of Medical Examiners.

Louisiana Administrative Code

Title 46 – Professional and Occupational Standards

Part LIII – Pharmacists

Chapter 11. Pharmacies

Subchapter B. Pharmacy Records

§1129. Louisiana Uniform Prescription Drug Prior Authorization Form; Requirements; Referral for Enforcement

- A. A prescriber or pharmacy required to obtain prior authorization from a third party payor shall complete the Louisiana Uniform Prescription Drug Prior Authorization Form referenced below in Section 1130, either in written form or its electronic equivalent.
- B. In the event a third party payor demands the completion of an alternative authorization process, the prescriber or pharmacy shall refer the demand to the appropriate enforcement agency.
 - 1. If the demand is made by a Medicaid managed care organization, the prescriber or pharmacy shall refer the demand to the Dept. of Health.
 - 2. If the demand is made by any other third party payor, the prescriber or pharmacy shall refer the demand to the Dept. of Insurance.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:1006.1(C) and 46:460.33(B).

HISTORICAL NOTE: Promulgated by the Department of Health, Board of Pharmacy, LR

§1130. Louisiana Uniform Prescription Drug Prior Authorization Form

[Form begins top of next page]

LOUISIANA UNIFORM PRESCRIPTION DRUG PRIOR AUTHORIZATION FORM

SECTION I — SUBMISSION

| | | | |
|---------------|--------|------|-------|
| Submitted to: | Phone: | Fax: | Date: |
|---------------|--------|------|-------|

SECTION II — PRESCRIBER INFORMATION

| | | | | |
|---------------------------|------|--------------------------|----------------|-----------|
| Last Name, First Name MI: | | NPI# or Plan Provider #: | Specialty: | |
| Address: | | City: | State: | ZIP Code: |
| Phone: | Fax: | Office Contact Name: | Contact Phone: | |

SECTION III — PATIENT INFORMATION

| | | | | | |
|--|--------------------------|-------------------|--------|--------------------------------|----------------------------------|
| Last Name, First Name MI: | | DOB: | Phone: | <input type="checkbox"/> Male | <input type="checkbox"/> Female |
| | | | | <input type="checkbox"/> Other | <input type="checkbox"/> Unknown |
| Address: | | City: | State: | ZIP Code: | |
| Plan Name (if different from Section I): | Member or Medicaid ID #: | Plan Provider ID: | | | |
| Patient is currently a hospital inpatient getting ready for discharge? ___ Yes ___ No Date of Discharge: _____ | | | | | |
| Patient is being discharged from a psychiatric facility? ___ Yes ___ No Date of Discharge: _____ | | | | | |
| Patient is being discharged from a residential substance use facility? ___ Yes ___ No Date of Discharge: _____ | | | | | |
| Patient is a long-term care resident? ___ Yes ___ No If yes, name and phone number: _____ | | | | | |
| EPSTD Support Coordinator contact information, if applicable: _____ | | | | | |

SECTION IV — PRESCRIPTION DRUG INFORMATION

| | | | | | | |
|---|--------------|-----------------|-----------|---------------|-------------------------------------|---------------------------------------|
| Requested Drug Name: | | | | | | |
| Strength: | Dosage Form: | Route of Admin: | Quantity: | Days' Supply: | Dosage Interval/Directions for Use: | Expected Therapy Duration/Start Date: |
| To the best of your knowledge this medication is: ___ New therapy/Initial request ___ Continuation of therapy/Reauthorization request | | | | | | |
| For Provider Administered Drugs only: | | | | | | |
| HCPCS/CPT-4 Code: _____ NDC#: _____ Dose Per Administration: _____ | | | | | | |
| Other Codes: _____ | | | | | | |
| Will patient receive the drug in the physician's office? ___ Yes ___ No – If no, list name and NPI of servicing provider/facility: _____ | | | | | | |

SECTION V — PATIENT CLINICAL INFORMATION

| | | | |
|---|--------------|------------------------|-----------------|
| Primary diagnosis relevant to this request: | | ICD-10 Diagnosis Code: | Date Diagnosed: |
| Secondary diagnosis relevant to this request: | | ICD-10 Diagnosis Code: | Date Diagnosed: |
| For pain-related diagnoses, pain is: ___ Acute ___ Chronic | | | |
| For postoperative pain-related diagnoses: Date of Surgery _____ | | | |
| Pertinent laboratory values and dates (attach or list below): | | | |
| Date | Name of Test | Value | |
| | | | |
| | | | |
| | | | |
| | | | |

SECTION VI - This Section For Opioid Medications Only

Does the quantity requested exceed the max quantity limit allowed? ___Yes ___No (If yes, provide justification below.)
 Cumulative daily MME_____

Does cumulative daily MME exceed the daily max MME allowed? ___Yes ___No (If yes, provide justification below.)

| SHORT AND LONG-ACTING OPIOIDS | YES (True) | NO (False) | THE PRESCRIBER ATTESTS TO THE FOLLOWING: |
|-------------------------------|------------|------------|--|
| | | | |
| | | | B. The patient has been screened for substance abuse / opioid dependence . <i>(Not required for recipients in long-term care facility.)</i> |
| | | | C. The PMP will be accessed each time a controlled prescription is written for this patient. |
| | | | D. A treatment plan which includes current and previous goals of therapy for both pain and function has been developed for this patient. |
| | | | E. Criteria for failure of the opioid trial and for stopping or continuing the opioid has been established and explained to the patient. |
| | | | F. Benefits and potential harms of opioid use have been discussed with this patient. |
| | | | G. An Opioid Treatment Agreement signed by both the patient and prescriber is on file. <i>(Not required for recipients in long-term care facility.)</i> |
| LONG-ACTING OPIOIDS | | | H. The patient requires continuous around the clock analgesic therapy for which alternative treatment options have been inadequate or have not been tolerated. |
| | | | I. Patient previously utilized at least two weeks of short-acting opioids for this condition. Please enter drug(s), dose, duration and date of trial in pharmacologic/non-pharmacologic treatment section below. |
| | | | J. Medication has not been prescribed to treat acute pain, mild pain, or pain that is not expected to persist for an extended period of time. |
| | | | K. Medication has not been prescribed for use as an as-needed (PRN) analgesic. |
| | | | L. Prescribing information for requested product has been thoroughly reviewed by prescriber. |

IF NO FOR ANY OF THE ABOVE (A-L), PLEASE EXPLAIN:

SECTION VII - Pharmacologic & non-pharmacologic treatment(s) used for this diagnosis (both previous & current):

| Drug name | Strength | Frequency | Dates Started and Stopped or Approximate Duration | Describe Response, Reason |
|-----------|----------|-----------|---|---------------------------|
| | | | | |
| | | | | |
| | | | | |

Drug Allergies: _____ Height (if applicable): _____ Weight (if applicable): _____

Is there clinical evidence or patient history that suggests the use of the plan's pre-requisite medication(s), e.g. step medications, will be ineffective or cause an adverse reaction to the patient? ___Yes ___No (If yes, please explain in Section VIII below.)

SECTION VIII — JUSTIFICATION (SEE INSTRUCTIONS)

By signing this request, the prescriber attests that the information provided herein is true and accurate to the best of his/her knowledge. Also, by signing and submitting this request form, the prescriber attests to statements in the 'Attestation' section of the criteria specific to this request, if applicable.

Signature of Prescriber: _____ Date: _____

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:1006.1(C) and 46:460.33(B).
HISTORICAL NOTE: Promulgated by the Department of Health, Board of Pharmacy, LR

FAMILY IMPACT STATEMENT
FOR ADMINISTRATIVE RULES

In accordance with Section 953 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a family impact statement on the rule proposed for adoption, repeal, or amendment. The following statements will be published in the Louisiana Register with the proposed agency rule.

I. The effect on the stability of the family.

The proposed rule will have no effect on the stability of the family.

II. The effect on the authority and rights of parents regarding the education and supervision of their children.

The proposed rule will have no effect on the authority and rights of parents regarding the education and supervision of their children.

III. The effect on the functioning of the family.

The proposed rule will have no effect on the functioning of the family.

IV. The effect on family earnings and family budget.

The proposed rule will have no effect on family earnings or family budget.

V. The effect on the behavior and personal responsibility of children.

The proposed rule will have no effect on the behavior and personal responsibility of children.

VI. The ability of the family or a local government to perform the function as contained in the proposed rule.

The proposed rule will have no effect on the ability of the family or a local government to perform the activity as contained in the proposed rule.

POVERTY IMPACT STATEMENT
FOR ADMINISTRATIVE RULES

In accordance with Section 973 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a poverty impact statement on the rule proposed for adoption, repeal, or amendment.

I. The effect on household income, assets, and financial security.

The proposed rule will have no effect on household income, assets, or financial security.

II. The effect on early childhood development and preschool through postsecondary education development.

The proposed rule will have no effect on early childhood development or preschool through postsecondary education development.

III. The effect on employment and workforce development.

The proposed rule will have no effect on employment or workforce development.

IV. The effect on taxes and tax credits.

The proposed rule will have no effect on taxes or tax credits.

V. The effect on child and dependent care, housing, health care, nutrition, transportation, and utilities assistance.

The proposed rule will have no effect on child and dependent care, housing, nutrition, transportation, or utilities assistance. To the extent the child requires a prescription drug for which the insurer requires a prior authorization process, the use of a single prescription drug prior authorization form by all parties in the state could simplify that process and improve access to the medication, with a positive impact on health care.

PROVIDER IMPACT STATEMENT
FOR ADMINISTRATIVE RULES

In accordance with House Concurrent Resolution No. 170 of the Regular Session of the 2014 Legislature, there is hereby submitted a provider impact statement on the rule proposed for adoption, repeal, or amendment. This will certify the agency has considered, without limitation, the following effects on the providers of services to individuals with developmental disabilities:

I. The effect on the staffing level requirements or qualifications required to provide the same level of service.

The proposed rule will have no effect on the staffing level requirements or the qualifications for that staff to provide the same level of service.

II. The total direct and indirect effect on the cost to the provider to provide the same level of service.

To the extent a provider includes the prescribing or dispensing of prescription medications to their clients, and to the extent that provider has previously established a prescription drug prior authorization process (or some multiple thereof) which is substantially different from the proposed form or its electronic equivalent, the provider may incur a one-time cost to revised its existing process to conform to the proposed process. However, we anticipate savings will accrue from the use of a single form by all parties in the state.

III. The overall effect on the ability of the provider to provide the same level of service.

The proposed rule will have no effect on the ability of the provider to provide the same level of service.

REGULATORY FLEXIBILITY ANALYSIS
FOR ADMINISTRATIVE RULES

In accordance with Section 965 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a regulatory flexibility analysis on the rule proposed for adoption, repeal, or amendment. This will certify the agency has considered, without limitation, each of the following methods of reducing the impact of the proposed rule on small businesses:

I. The establishment of less stringent compliance or reporting requirements for small businesses.

There are no specific reporting requirements in the proposed rule.

II. The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses.

There are no specific reporting requirements in the proposed rule.

III. The consolidation or simplification of compliance or reporting requirements for small businesses.

There are no specific reporting requirements in the proposed rule.

IV. The establishment of performance standards for small businesses to replace design or operational standards required in the proposed rule.

The proposed rule requires the use of a single form by all parties in the state, which could eliminate the need to maintain multiple forms for different third-party payors. In addition, the proposed rule permits the use of electronic equivalents to the written form.

V. The exemption of small businesses from all or any part of the requirements contained in the proposed rule.

There are no exemptions for small businesses.

SOLICITATION OF COMMENTS

Interested persons may submit written comments, via United States Postal Service or other mail carrier, or in the alternative, by personal delivery, to Malcolm J Broussard, Executive Director, at the office of the Louisiana Board of Pharmacy, 3388 Brentwood Drive, Baton Rouge, Louisiana 70809-1700. He is responsible for responding to inquiries regarding this proposed rule. A public hearing on this proposed rule is scheduled for 9:00 am on Friday, September 28, 2018 at the office of the Louisiana State Board of Medical Examiners, which is located at 630 Camp Street in New Orleans, Louisiana 70130. At that time, all interested persons will be afforded an opportunity to submit data, views, or arguments, either orally or in writing. The deadline for the receipt of all comments is 12:00 noon that same day.

Malcolm J Broussard
Executive Director
Louisiana Board of Pharmacy

FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES

In accordance with Section 953 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, repeal or amendment:

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS
(Summary)

The LA Board of Pharmacy anticipates one-time printing expenditures of \$2,000 in FY 19 to publish the Notice of Intent and the final rule publication. The proposed rules implement Act 423 of the 2018 Regular Session regarding the use of a single prior authorization form for prescription drugs.

Furthermore, to the extent local governmental units utilize prior authorization forms, there may be a nominal cost to change their existing form to comply with the uniform document in the proposed rules. To the extent governmental units use multiple prior authorization forms for different payors, there may be future cost savings associated with the use of a single form, however any potential savings from this source is speculative.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS
(Summary)

The proposed rules will not affect revenue collections for state or local governmental units.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NON-GOVERNMENTAL GROUPS (Summary)

The proposed rules may benefit insurance companies and other entities that pay for prescription drug claims, as they may require the use of a prior authorization process for some drugs to manage their costs for such claims. Different entities may use different forms and some entities have initiated the use of electronic web portals to receive the information in lieu of printed forms. The proposed rules provide for a single form for use by all payors in the state, which may streamline the prior authorization process for payors.

Furthermore, some entities will incur printing costs for printing replacement forms. Furthermore, to the extent any of those providers have implemented information systems for the prior authorization process, they may incur a one-time expense to update their system to accommodate the uniform process proposed by the rule.

In addition, the prescribers and dispensers of prescription drugs required to complete the prior authorization process may benefit from the use of a single form for all payors in the state, as it may streamline the prior authorization process to the extent multiple forms are currently being used.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rules will not affect competition or employment.

FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES

Person Preparing Statement: **Malcolm J. Broussard**
Executive Director
Dept.: **Health**
Office: **Board of Pharmacy**
Phone: **(225) 925-6481**
Title: **Louisiana Uniform Prescription Drug Prior Authorization Form**
Return Address: **3388 Brentwood Drive**
Baton Rouge, LA 70809
Effective Date of Rule: **Upon promulgation**
Dec. 20, 2018 (est.)

SUMMARY
(Use complete sentences)

In accordance with Section 953 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, repeal or amendment. **THE FOLLOWING STATEMENTS SUMMARIZE ATTACHED WORKSHEETS, I THROUGH IV AND WILL BE PUBLISHED IN THE LOUISIANA REGISTER WITH THE PROPOSED AGENCY RULE.**

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS
(Summary)

The LA Board of Pharmacy anticipates one-time printing expenditures of \$2,000 in FY 19 to publish the Notice of Intent and the final rule publication. The proposed rules implement Act 423 of the 2018 Regular Session regarding the use of a single prior authorization form for prescription drugs.

Furthermore, to the extent local governmental units utilize prior authorization forms, there may be a nominal cost to change their existing form to comply with the uniform document in the proposed rules. To the extent governmental units use multiple prior authorization forms for different payors, there may be future cost savings associated with the use of a single form, however any potential savings from this source is speculative.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS
(Summary)

The proposed rule will not affect revenue collections for state or local governmental units.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NON-GOVERNMENTAL GROUPS (Summary)

The proposed rules may benefit insurance companies and other entities that pay for prescription drug claims, as they may require the use of a prior authorization process for some drugs to manage their costs for such claims. Different entities may use different forms and some entities have initiated the use of electronic web portals to receive the information in lieu of printed forms. The proposed rules provide for a single form for use by all payors in the state, which may streamline the prior authorization process for payors.

Furthermore, some entities will incur printing costs for printing replacement forms. Furthermore, to the extent any of those providers have implemented information systems for the prior authorization process, they may incur a one-time expense to update their system to accommodate the uniform process proposed by the rule.

In addition, the prescribers and dispensers of prescription drugs required to complete the prior authorization process may benefit from the use of a single form for all payors in the state, as it may streamline the prior authorization process to the extent multiple forms are currently being used.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rules will not affect competition or employment.

Malcolm J. Broussard
Signature of Agency Head or Designee

Malcolm J Broussard, Executive Director
Typed Name and Title of Agency Head or Designee

August 9, 2018
Date of Signature

Evan Brass, Staff Director
Legislative Fiscal Officer or Designee
8/9/18
Date of Signature

FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES

The following information is required in order to assist the Legislative Fiscal Office in its review of the fiscal and economic impact statement and to assist the appropriate legislative oversight subcommittee in its deliberation on the proposed rule.

- A. Provide a brief summary of the content of the rule (if proposed for adoption, or repeal) or a brief summary of the change in the rule (if proposed for amendment). Attach a copy of the notice of intent and a copy of the rule proposed for initial adoption or repeal (or, in the case of a rule change, copies of both the current and proposed rules with amended portions indicated).

The Board proposes to promulgate a new rule establishing the Louisiana Uniform Prior Authorization to be used by pharmacies seeking prior authorization from insurance companies and other payors of prescription drug claims.

- B. Summarize the circumstances that require this action. If the Action is required by federal regulation, attach a copy of the applicable regulation.

Act 423 of the 2018 Legislature requires the Board of Pharmacy and the State Board of Medical Examiners to jointly promulgate a rule establishing a single prior authorization form to be used by all payors of prescription drug claims and any other entity requiring prior authorization of prescription drug claims.

- C. Compliance with Act 11 of the 1986 First Extraordinary Session:

- (1) Will the proposed rule change result in any increase in the expenditure of funds? If so, specify amount and source of funding.

The Board has allocated \$1,000 each for printing the Notice of Intent and the Final Rule. Since the board does not use prior authorization forms, there will be no other expenditures associated with the proposed rule. The Board operates on self-generated funds.

- (2) If the answer to (1) above is yes, has the Legislature specifically appropriated the funds necessary for the associated expenditure increase?

(a) Yes. If yes, attach documentation.

(b) No. If no, provide justification as to why this rule change should be published at this time.

Act 423 of the 2018 Legislature requires the promulgation of the rule prior to January 1, 2019.

- D. Compliance with Act 820 of the 2008 Regular Session

- (1) An identification and estimate of the number of small businesses subject to the proposed rule.

Given the criteria in the statutory definition of "small businesses", the Board is unable to specifically identify small businesses because the Board does not collect information from pharmacies concerning the number of employees or any information on sales, net worth, or other financial data. To the extent any pharmacy licensed by the Board would qualify as a small business, there are 2,002 pharmacies currently licensed.

- (2) The projected reporting, record keeping, and other administrative costs required for compliance with the proposed rule, including the type of professional skills necessary for preparation of the report or record.

The proposed rule does not specify any recordkeeping or reporting requirements. However, to the extent a pharmacy has implemented a prior authorization process in its information system, the pharmacy could incur a one-time charge to update their information system to accommodate the proposed form.

- (3) A statement of the probable effect on impacted small businesses.

The Board does not anticipate the proposed rule will have any impact on small businesses.

- (4) A description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed rule.

There are no alternative methods for achieving the purpose of the proposed rule.

FISCAL AND ECONOMIC IMPACT STATEMENT
WORKSHEET

I. A. COSTS OR SAVINGS TO STATE AGENCIES RESULTING FROM THE ACTION PROPOSED

1. What is the anticipated increase (decrease) in costs to implement the proposed action?

| <u>COSTS</u> | <u>FY 18-19</u> | <u>FY 19-20</u> | <u>FY 20-21</u> |
|------------------------|-----------------|-----------------|-----------------|
| PERSONAL SERVICES | \$ 0 | \$ 0 | \$ 0 |
| OPERATING EXPENSES | \$ 2,000 | \$ 0 | \$ 0 |
| PROFESSIONAL SERVICES | \$ 0 | \$ 0 | \$ 0 |
| OTHER CHARGES | \$ 0 | \$ 0 | \$ 0 |
| EQUIPMENT | \$ 0 | \$ 0 | \$ 0 |
| MAJOR REPAIR & CONSTR. | \$ 0 | \$ 0 | \$ 0 |
| TOTAL | \$ 2,000 | \$ 0 | \$ 0 |
| POSITIONS (#) | 0 | 0 | 0 |

2. Provide a narrative explanation of the costs or savings shown in "A.1", including the increase or reduction in workload or additional paperwork (number of new forms, additional documentation, etc.) anticipated as a result of the implementation of the proposed action. Describe all data, assumptions, and methods used in calculating these costs.

The LA Board of Pharmacy anticipates one-time printing expenditures of \$2,000 in FY 19 to publish the Notice of Intent and the final rule publication. The proposed rules implement Act 423 of the 2018 Regular Session regarding the use of a single prior authorization form for prescription drugs.

Furthermore, to the extent local governmental units utilize prior authorization forms, there may be a nominal cost to change their existing form to comply with the uniform document in the proposed rules. To the extent governmental units use multiple prior authorization forms for different payors, there may be future cost savings associated with the use of a single form, however any potential savings from this source is speculative.

3. Sources of funding for implementing the proposed rule or rule change.

| <u>SOURCE</u> | <u>FY 18-19</u> | <u>FY 19-20</u> | <u>FY 20-21</u> |
|-----------------------|-----------------|-----------------|-----------------|
| STATE GENERAL FUND | \$ 0 | \$ 0 | \$ 0 |
| AGENCY SELF-GENERATED | \$ 2,000 | \$ 0 | \$ 0 |
| DEDICATED | \$ 0 | \$ 0 | \$ 0 |
| FEDERAL FUNDS | \$ 0 | \$ 0 | \$ 0 |
| OTHER (Specify) | \$ 0 | \$ 0 | \$ 0 |
| TOTAL | \$ 2,000 | \$ 0 | \$ 0 |

4. Does your agency currently have sufficient funds to implement the proposed action? If not, how and when do you anticipate obtaining such funds?

The Board has sufficient funds available to implement the proposed rule.

B. COST SAVINGS TO LOCAL GOVERNMENTAL UNITS RESULTING FROM THE ACTION PROPOSED

1. Provide an estimate of the anticipated impact of the proposed action on local governmental units, including adjustments in workload and paperwork requirements. Describe all data, assumptions and methods used in calculating this impact.

2. Indicate the source of funding of the local governmental unit that will be affected by these costs or savings.

To the extent other local governmental units utilize prior authorization forms, there may be a minimal cost to change their existing form to comply with the uniform document contemplated by the proposed rule. To the extent such agencies use multiple variations of such forms for different payors, there may be future cost savings associated with the use of a single form.

II. EFFECT ON REVENUE COLLECTIONS OF STATE AND LOCAL GOVERNMENTAL UNITS

A. What increase (decrease) in revenues can be anticipated from the proposed action?

| <u>SOURCE</u> | <u>FY 18-19</u> | <u>FY 19-20</u> | <u>FY 20-21</u> |
|-----------------------|-----------------|-----------------|-----------------|
| STATE GENERAL FUND | \$ 0 | \$ 0 | \$ 0 |
| AGENCY SELF-GENERATED | \$ 0 | \$ 0 | \$ 0 |
| DEDICATED FUNDS | \$ 0 | \$ 0 | \$ 0 |
| FEDERAL FUNDS | \$ 0 | \$ 0 | \$ 0 |
| LOCAL FUNDS | \$ 0 | \$ 0 | \$ 0 |
| TOTAL | \$ 0 | \$ 0 | \$ 0 |

- B. Provide a narrative explanation of each increase or decrease in revenues shown in "A". Describe all data, assumptions, and methods used in calculating these increases or decreases.

The proposed rules will not affect revenue collections for state or local governmental units.

III. COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NON-GOVERNMENTAL GROUPS

- A. What persons or non-governmental groups would be directly affected by the proposed action? For each, provide an estimate and a narrative description of any effect on costs, including workload adjustments and additional paperwork (number of new forms, additional documentation, etc.), they may have to incur as a result of the proposed action.

The proposed rules may benefit insurance companies and other entities that pay for prescription drug claims, as they may require the use of a prior authorization process for some drugs to manage their costs for such claims. Different entities may use different forms and some entities have initiated the use of electronic web portals to receive the information in lieu of printed forms. The proposed rules provide for a single form for use by all payors in the state, which may streamline the prior authorization process for payors.

Furthermore, some entities will incur printing costs for printing replacement forms. Furthermore, to the extent any of those providers have implemented information systems for the prior authorization process, they may incur a one-time expense to update their system to accommodate the uniform process proposed by the rule.

In addition, the prescribers and dispensers of prescription drugs required to complete the prior authorization process may benefit from the use of a single form for all payors in the state, as it may streamline the prior authorization process to the extent multiple forms are currently being used.

Also provide an estimate and a narrative description of any impact on receipts and/or income (revenue) resulting from this rule or rule change to these groups.

The proposed rules will have no effect on receipts or revenue.

IV. EFFECTS ON COMPETITION AND EMPLOYMENT

Identify and provide estimates of the impact of the proposed action on competition and employment in the public and private sectors. Include a summary of any data, assumptions and methods used in making these estimates.

The proposed rules will not affect competition or employment.



Signature of Agency Head or Designee

Malcolm J Broussard, Executive Director

Typed Name and Title of Agency Head or Designee

August 9, 2018

Date of Signature