

Louisiana Administrative Code

Title 46 – Professional and Occupational Standards

Part LIII: Pharmacists

Chapter 24. Limited Service Providers

Subchapter F. Pharmacy Benefit Managers

§2471. Definitions

- A. The following terms shall have the meaning ascribed to them in this Section:
 - 1. “Health insurance plan” means benefits consisting of prescription drugs, other products and supplies, and pharmacist services provided directly, through insurance or reimbursement, or otherwise and including items and services paid for as prescription drugs, other products and supplies, and pharmacist services under any hospital or medical service policy or certificate, hospital or medical service plan contract, preferred provider organization agreement, or health maintenance organization contract offered by a health insurance issuer.
 - 2. “Pharmacy benefit management plan” means an arrangement for the delivery of pharmacist’s services in which a pharmacy benefit manager undertakes to administer the payment or reimbursement of any of the costs of pharmacist’s services for an enrollee on a prepaid or insured basis that (i) contains one or more incentive arrangements intended to influence the cost or level of pharmacist’s services; and (ii) requires or creates benefit payment differential incentives for enrollees to use under contract with the pharmacy benefit manager.
 - 3. “Pharmacy benefit manager” or “PBM” means a business that administers the prescription drug/device portion of pharmacy benefit management plans or health insurance plans on behalf of plan sponsors, insurance companies, unions and health maintenance organizations. Pharmacy benefit managers may also provide some, all, but may not be limited to, the following services either directly or through outsourcing or contracts with other entities:
 - a. Adjudicate drug claims or any portion of the transaction;
 - b. Contract with retail and mail pharmacy networks;
 - c. Establish payment levels for pharmacies;
 - d. Develop formulary or drug list of covered therapies;
 - e. Provide benefit design consultation;
 - f. Manage cost and utilization trends;
 - g. Contract for manufacturer rebates;
 - h. Provide fee-based clinical services to improve member care;
 - i. Third-party administration

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:1182.

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

§2473. Pharmacy Benefit Manager Permit

- A. A pharmacy benefit manager permit shall authorize the permit holder to administer pharmacy benefit management services.
- B. The provisions of R.S. 37:1232(A) and Section 2303 of this Part notwithstanding, the pharmacy benefit manager need not hold a resident pharmacy permit in the state in which it is located prior to applying for a pharmacy benefit manager permit. However, should the pharmacy benefit manager not hold a resident pharmacy permit in the state in which it is located, the pharmacy benefit manager shall

- 52 be subject to an inspection by the board or its designated agent, in compliance with the provisions of
 53 R.S. 37:1232(C).
 54 C. The board shall not issue a pharmacy benefit manager permit to any person or other entity which has
 55 not yet registered with the Louisiana Secretary of State to conduct business within the state.
 56 D. When the pharmacy benefit manager permit is issued, it shall be valid only for the owner and specific
 57 location noted on the application and recorded on the permit, and the permit shall not be valid for any
 58 premises other than the physical location to which it was issued.
 59 E. A pharmacy benefit manager permit is not transferable from the original owner. The permit shall not
 60 be subject to sale, assignment or other transfer, voluntary or involuntary. Moreover, in the event the
 61 ownership of the pharmacy benefit manager changes by 50 percent or more after the initial issuance of
 62 the permit, the ownership will be deemed sufficiently different as to require a new pharmacy benefit
 63 manager permit. The continued operation of a pharmacy benefit manager permit after its ownership
 64 has changed by more than 50 percent shall constitute sufficient basis for the board to issue a finding for
 65 the operation of a pharmacy benefit manager without a valid permit, in violation of R.S. 37:1241
 66 (A)(12).

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 68 AUTHORITY NOTE: Promulgated in accordance with R.S. 37:1182.

69 HISTORICAL NOTE: Promulgated by the Department of Health, Board of Pharmacy, LR
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71 **§2475. Licensing Procedures**

72 A. Application for Initial Issuance of Permit

- 73 1. The board shall develop an application form suitable for the pharmacy benefit manager permit.
 74 The board may revise that application form on its own initiative in order to collect the information
 75 it deems necessary to properly evaluate an applicant.
 76 2. The board shall not process applications received by facsimile, or that are incomplete, or
 77 submitted with the incorrect fee.
 78 3. Once received by the board, an application for the permit shall expire one year thereafter. Fees
 79 attached to an expired application shall be forfeited by the applicant and deposited by the board.
 80 4. In the event any information contained in the application or accompanying documents changes
 81 after being submitted to the board and before the issuance of the permit, the applicant shall
 82 immediately notify the board in writing and provide corrected information.
 83 5. The applicant may be required to personally appear before the board or one of its committees prior
 84 to any decision on the permit application.
 85 6. Upon approval of the application, the board shall issue the pharmacy benefit manager permit to the
 86 applicant.

87 B. Application for Renewal of Permit

- 88 1. All pharmacy benefit manager permits shall expire at midnight on August 31 of every year,
 89 regardless of the date of its initial issuance.
 90 2. The board shall not process applications received by facsimile, or that are incomplete, or
 91 submitted with the incorrect fee.
 92 3. In the event the pharmacy benefit manager does not submit a properly completed renewal
 93 application and fee to the board prior to the expiration of the permit, the permit shall be rendered
 94 null and void. A pharmacy benefit manager shall not operate with an expired permit. The
 95 continued operation of a pharmacy benefit manager with an expired permit shall constitute
 96 sufficient basis for the board to issue a finding for the operation of a pharmacy benefit manager
 97 without a valid permit, in violation of R.S. 37:1241(A)(12).
 98 4. An application for the late renewal of an expired pharmacy benefit manager permit that is received
 99 in the board office no later than 30 days after the expiration date of the permit may be processed
 100 by the board office provided the appropriate delinquent fee authorized in R.S. 37:1184 is included
 101 with the application.
 102 5. A pharmacy benefit manager permit not renewed by 30 days after the expiration date shall be
 103 automatically terminated by the board.
 104 6. An application for the reinstatement of a terminated pharmacy benefit manager permit shall be
 105 referred to the board's reinstatement committee for its consideration.

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- C. Application for Reinstatement of Lapsed, Suspended, or Revoked Permit
 - 1. The applicant shall complete the application form for this specific purpose supplied by the board
 - 2. The application shall be accompanied by the payment of the permit fee, delinquent renewal fee, and reinstatement fees authorized in R.S. 37:1184.
 - 3. Upon the receipt of a properly completed application form and fee, the board staff shall refer the application to the board's reinstatement committee for its consideration and shall notify the applicant of the time and place for the committee meeting.
- D. Maintenance of Permit
 - 1. A pharmacy benefit manager permit shall be valid for the entity to whom it is issued and shall not be subject to sale, assignment or other transfer, voluntary or involuntary, nor shall the permit be valid for any premises other than the business location recorded on the permit.
 - 2. Upon receipt of a written request and payment of the fee authorized in R.S. 37:1184, the board shall issue a duplicate or replacement permit to the applicant; however, such duplicate or replacement permit shall not serve or be used as an additional or second permit.
 - 3. Prior to any change in the location of a pharmacy benefit manager, the owner of the permit shall submit an application form for that purpose supplied by the board and pay the appropriate fee authorized in R.S. 37:1184. The board may require an inspection of the new location prior to the issuance of the permit for the new location. The operation of a pharmacy benefit manager in a new location not approved by the board shall constitute sufficient basis for the board to issue a finding for the operation of a pharmacy benefit manager without a valid permit, in violation of R.S. 37:1241(A)(12).
 - 4. In the event the pharmacy benefit manager contemplates permanent closure of the permitted location, the owner of the permit shall comply with the rules governing permanent closure of a permit as described in Chapter 11 of this Part.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:1182.
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