

**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 an individual or group plan or program, whether commercial, self-insured, or mandated or sponsored by any federal, state, or local government, which is established by contract, certificate, law, plan, policy, subscriber agreement, or by any other method and which is entered into, issued, or offered for the purpose of arranging for, delivering, paying for, providing, or reimbursing any of the costs of health or medical care, including pharmacy services, drugs, or devices.
  - 2. “Pharmacy benefit management plan” or “pharmacy benefits program” means a plan or program that pays for, reimburses, covers the cost of, or otherwise provides for pharmacist services or drugs or devices to individuals who reside in or are employed in Louisiana.
  - 3. “Pharmacy benefit manager” or “PBM” means any person or other entity who administers the prescription drug or device program of one or more health insurance plans on behalf of a third party in accordance with a pharmacy benefit program. This term includes any agent or representative of a pharmacy benefit manager, hired or contracted by the pharmacy benefit manager to assist in the administering of the drug program.

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; Activities; Prohibitions**

- A. Any pharmacy benefit manager who, pursuant to a contract or under an employment relationship with a carrier, health benefit plan sponsor, or other third-party payer, either directly or through an intermediary, manages the drug or device coverage or other pharmacy benefits provided by the carrier, plan sponsor, or other third-party payer, shall be permitted by the board.
- B. A pharmacy benefit manager permit shall authorize the permit holder to administer pharmacy benefit management services.
- C. Pharmacy benefit management services include, but are not limited to:
  - 1. Development, maintenance, and/or administration of drug formularies;
  - 2. Development, maintenance, and/or administration of step therapy procedures;
  - 3. Development, maintenance, and/or administration of utilization management and utilization reviews;
  - 4. Development, maintenance, and/or administration of drug regimen reviews;
  - 5. Development, maintenance, and/or administration of quality care dosing services;
  - 6. Development, maintenance, and/or administration of prescription drug management programs and the contracting with pharmacies for same;
  - 7. Development, maintenance, and/or administration of disease management programs;
  - 8. Administration, processing, and/or payment of claims for prescription drugs;
  - 9. Processing of prior authorization requests;
  - 10. Adjudication of appeals and/or grievances related to prescription drug coverage; and

- 53           11. Any other act, service, operation, or transaction incidental to or forming a part of the  
 54 compounding, filling, dispensing, exchanging, giving, offering for sale, or selling drugs,  
 55 medicines, poisons or devices in this state by pharmacists or pharmacies, pursuant to a  
 56 prescription or an order of physicians, dentists, veterinarians, or other licensed practitioners,  
 57 requiring, involving, or employing the science or art of any branch of the pharmacy profession,  
 58 study, or training.
- 59           D. The provisions of R.S. 37:1232(A) and Section 2303 of this Part notwithstanding, the pharmacy  
 60 benefit manager need not hold a resident pharmacy permit in the state in which it is located prior to  
 61 applying for a pharmacy benefit manager permit. However, should the pharmacy benefit manager not  
 62 hold a resident pharmacy permit in the state in which it is located, the pharmacy benefit manager shall  
 63 be subject to an inspection by the board or its designated agent, in compliance with the provisions of  
 64 R.S. 37:1232(C).
- 65           E. The board shall not issue a pharmacy benefit manager permit to any person or other entity which has  
 66 not yet registered with the Louisiana Secretary of State to conduct business within the state.
- 67           F. When the pharmacy benefit manager permit is issued, it shall be valid only for the owner and specific  
 68 location noted on the application and recorded on the permit, and the permit shall not be valid for any  
 69 premises other than the physical location to which it was issued.
- 70           G. A pharmacy benefit manager permit is not transferable from the original owner. The permit shall not  
 71 be subject to sale, assignment or other transfer, voluntary or involuntary. Moreover, in the event the  
 72 ownership of the pharmacy benefit manager changes by 50 percent or more after the initial issuance of  
 73 the permit, the ownership will be deemed sufficiently different as to require a new pharmacy benefit  
 74 manager permit. The continued operation of a pharmacy benefit manager permit after its ownership  
 75 has changed by more than 50 percent shall constitute sufficient basis for the board to issue a finding for  
 76 the operation of a pharmacy benefit manager without a valid permit, in violation of R.S. 37:1241  
 77 (A)(12).
- 78           H. Any pharmacy benefit manager may request an exemption from the requirement of this Section.  
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80 AUTHORITY NOTE: Promulgated in accordance with R.S. 37:1182.

81 HISTORICAL NOTE: Promulgated by the Department of Health, Board of Pharmacy, LR  
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### 83 **§2475. Licensing Procedures**

- 84           A. Application for Initial Issuance of Permit
- 85           1. The board shall develop an application form suitable for the pharmacy benefit manager permit.  
 86 The board may revise that application form on its own initiative in order to collect the information  
 87 it deems necessary to properly evaluate an applicant.
- 88           2. The board shall not process applications received by facsimile, or that are incomplete, or  
 89 submitted with the incorrect fee.
- 90           3. Once received by the board, an application for the permit shall expire one year thereafter. Fees  
 91 attached to an expired application shall be forfeited by the applicant and deposited by the board.
- 92           4. In the event any information contained in the application or accompanying documents changes  
 93 after being submitted to the board and before the issuance of the permit, the applicant shall  
 94 immediately notify the board in writing and provide corrected information.
- 95           5. The applicant may be required to personally appear before the board or one of its committees prior  
 96 to any decision on the permit application.
- 97           6. Upon approval of the application, the board shall issue the pharmacy benefit manager permit to the  
 98 applicant.
- 99           B. Application for Renewal of Permit
- 100           1. All pharmacy benefit manager permits shall expire at midnight on August 31 of every year,  
 101 regardless of the date of its initial issuance.
- 102           2. The board shall not process applications received by facsimile, or that are incomplete, or  
 103 submitted with the incorrect fee.
- 104           3. In the event the pharmacy benefit manager does not submit a properly completed renewal  
 105 application and fee to the board prior to the expiration of the permit, the permit shall be rendered  
 106 null and void. A pharmacy benefit manager shall not operate with an expired permit. The

- 107 continued operation of a pharmacy benefit manager with an expired permit shall constitute  
 108 sufficient basis for the board to issue a finding for the operation of a pharmacy benefit manager  
 109 without a valid permit, in violation of R.S. 37:1241(A)(12).  
 110 4. An application for the late renewal of an expired pharmacy benefit manager permit that is received  
 111 in the board office no later than 30 days after the expiration date of the permit may be processed  
 112 by the board office provided the appropriate delinquent fee authorized in R.S. 37:1184 is included  
 113 with the application.  
 114 5. A pharmacy benefit manager permit not renewed by 30 days after the expiration date shall be  
 115 automatically terminated by the board.  
 116 6. An application for the reinstatement of a terminated pharmacy benefit manager permit shall be  
 117 referred to the board's reinstatement committee for its consideration.  
 118 C. Application for Reinstatement of Lapsed, Suspended, or Revoked Permit  
 119 1. The applicant shall complete the application form for this specific purpose supplied by the board  
 120 2. The application shall be accompanied by the payment of the permit fee, delinquent renewal fee,  
 121 and reinstatement fees authorized in R.S. 37:1184.  
 122 3. Upon the receipt of a properly completed application form and fee, the board staff shall refer the  
 123 application to the board's reinstatement committee for its consideration and shall notify the  
 124 applicant of the time and place for the committee meeting.  
 125 D. Maintenance of Permit  
 126 1. A pharmacy benefit manager permit shall be valid for the entity to whom it is issued and shall not  
 127 be subject to sale, assignment or other transfer, voluntary or involuntary, nor shall the permit be  
 128 valid for any premises other than the business location recorded on the permit.  
 129 2. Upon receipt of a written request and payment of the fee authorized in R.S. 37:1184, the board  
 130 shall issue a duplicate or replacement permit to the applicant; however, such duplicate or  
 131 replacement permit shall not serve or be used as an additional or second permit.  
 132 3. Prior to any change in the location of a pharmacy benefit manager, the owner of the permit shall  
 133 submit an application form for that purpose supplied by the board and pay the appropriate fee  
 134 authorized in R.S. 37:1184. The board may require an inspection of the new location prior to the  
 135 issuance of the permit for the new location. The operation of a pharmacy benefit manager in a  
 136 new location not approved by the board shall constitute sufficient basis for the board to issue a  
 137 finding for the operation of a pharmacy benefit manager without a valid permit, in violation of  
 138 R.S. 37:1241(A)(12).  
 139 4. In the event the pharmacy benefit manager contemplates permanent closure of the pharmacy  
 140 benefit manager business, the owner of the permit shall notify the board, in writing, 10 days prior  
 141 to the anticipated date of closure and surrender its permit.

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

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

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 146 **§2477. Applicable Laws and Regulations; Sanctions**

- 147 A. Any pharmacy benefit management service of a pharmacy benefit manager that adversely affects or  
 148 impairs the health, safety, and welfare of a person who is a beneficiary of the pharmacy benefit  
 149 program administered by the pharmacy benefit manager and who resides or works in this state or  
 150 directly impairs the ability of a pharmacist or pharmacy to compound, fill, dispense, exchange, give,  
 151 offer for sale, or sell drugs, medicines, poisons or devices to any such person shall be deemed a  
 152 violation of R.S. 37:1241(A)(1), as well as a violation of any other applicable provisions of R.S.  
 153 37:1241(A), providing cause for the board to take any of the actions permitted in R.S. 37:1241.  
 154 Further, Louisiana pharmacy laws shall be applicable to regulation of the practice of pharmacy for that  
 155 portion of the permitted pharmacy benefit manager's Louisiana pharmacy practice or operation.

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

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