

Louisiana Administrative Code

Title 46 – Professional and Occupational Standards

Part LIII: Pharmacists

Chapter 30. Pharmacy Benefit Managers

§3001. Definitions

- A. The following terms shall have the meaning ascribed to them in this Section:
1. “Health plan” means an individual or group plan or program, 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” and “pharmacy benefits program” means a plan or program that pays for, reimburses, covers the cost of, or otherwise provides for pharmacist services, drugs or devices to individuals who reside in or are employed in Louisiana.
 3. “Pharmacy benefit manager” or “PBM” means any person or business who administers the prescription drug or device program of one or more health 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 and any wholly or partially owned or controlled subsidiary of a pharmacy benefit manager.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:1253.

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

§3003. Pharmacy Benefit Manager Permit

- A. A pharmacy benefit manager shall obtain and maintain a pharmacy benefit manager permit from the board prior to conducting in business in Louisiana if it administers, develops, maintains, performs, or provides one or more of the following pharmacy services in the state or that affects one or more beneficiaries of a pharmacy benefit management plan administered by the pharmacy benefit manager:
- (1) Adjudication of appeals or grievances related to prescription drug coverage.
 - (2) Disease management programs. For purposes of this Subsection, “disease management program” means a program adopted to guide and care for beneficiaries with chronic health problems to improve the quality of health care provided to them and prevent future need for medical resources by using an integrated comprehensive approach.
 - (3) Drug formularies. For purposes of this Subsection, “drug formulary” means a list of prescription medications or pharmaceutical products developed and approved by each health plan that may be dispensed to a beneficiary through participating pharmacies. A drug formulary may also be referred to as a “preferred drug list”, “prior authorization list”, or “pharmacopeia”.
 - (4) Drug regimen reviews. For purposes of this Subsection, “drug regimen review” means third-party review of all medications a beneficiary is currently using, whether prescribed or over-the-counter, and administered by any method.
 - (5) Prescription drug management programs. For purposes of this Subsection, “prescription drug management program” means a program developed and designed to administer the prescription drug benefit as part of a health plan, and as part of such administration a PBM may contract with pharmacies for implementation and dispensing drugs in accordance with the program.
 - (6) Processing of prior authorization requests. For purposes of this Subsection, “processing of prior authorization requests” means making a determination regarding payment coverage based on an

- 52 advance approval request submitted by a physician or other healthcare provider before a specific
53 procedure, service, device, supply, or medication is delivered to the beneficiary.
- 54 (7) Quality care dosing services. For purposes of this Subsection, “quality care dosing services”
55 means electronically checking prescription medications before they are filled at the pharmacy to
56 ensure that the quantity and dosage is consistent with the recommendations of the United States
57 Food and Drug Administration and others.
- 58 (8) Step therapy procedures. For purposes of this Subsection, “step therapy procedure” means
59 protocols and policies that establish a specific sequence in which prescription drugs for a medical
60 condition are approved for coverage by a health plan for a beneficiary which generally requires
61 cheaper drugs to be used before more costly drugs. Step therapy may also be referred to as “fail
62 first” protocol.
- 63 (9) Utilization management and utilization reviews. For purposes of this Subsection, “utilization
64 management” and “utilization review” mean third-party review and approval of appropriateness
65 and necessity of care that a healthcare provider has indicated for a beneficiary prior to delivery and
66 coverage of such care.
- 67 (10) Any other act, service, operation, or transaction incidental to or forming a part of the
68 compounding, filling, dispensing, exchanging, giving, offering for sale, or selling drugs,
69 medicines, poisons, or devices in this state by pharmacists or pharmacies, pursuant to a
70 prescription or an order of physicians, dentists, veterinarians, or other licensed practitioners,
71 requiring, involving, or employing the science or art of any branch of the pharmacy profession,
72 study, or training.
- 73 B. A pharmacy benefit manager permit shall authorize the permit holder to administer pharmacy benefit
74 management services.
- 75 C. The board shall not issue a pharmacy benefit manager permit to any person or other entity which has
76 not yet registered with the Louisiana Secretary of State to conduct business within the state.
- 77 D. A pharmacy benefit manager permit is not transferable from the original owner. The permit shall not
78 be subject to sale, assignment or other transfer, voluntary or involuntary. Moreover, in the event the
79 ownership of the pharmacy benefit manager changes by 50 percent or more after the initial issuance of
80 the permit, the ownership will be deemed sufficiently different as to require a new pharmacy benefit
81 manager permit. The continued operation of a pharmacy benefit manager permit after its ownership
82 has changed by more than 50 percent shall constitute sufficient basis for the board to issue a finding for
83 the operation of a pharmacy benefit manager without a valid permit, in violation of R.S. 40:2865.

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

87 88 **§3005. Permitting Procedures**

- 89 A. Application for Initial Issuance of Permit
- 90 1. The board shall develop an application form suitable for the pharmacy benefit manager permit.
91 The board may revise that application form on its own initiative in order to collect the information
92 it deems necessary to properly evaluate an applicant.
- 93 2. The board shall not process applications received by facsimile, or that are incomplete, or
94 submitted with the incorrect fee.
- 95 3. Once received by the board, an application for the permit shall expire one year thereafter.
- 96 4. In the event any information contained in the application or accompanying documents changes
97 after being submitted to the board and before the issuance of the permit, the applicant shall
98 immediately notify the board in writing and provide corrected information.
- 99 5. The applicant may be required to personally appear before the board or any of its committees prior
100 to any decision on the permit application.
- 101 6. Upon approval of the application, the board shall issue the pharmacy benefit manager permit to the
102 applicant.
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- 105 B. Application for Renewal of Permit
- 106 1. All pharmacy benefit manager permits shall expire two years after the date of its initial issuance
- 107 and the renewals shall expire every two years thereafter on that anniversary date.
- 108 2. The board shall not process applications received by facsimile, or that are incomplete.
- 109 3. In the event the pharmacy benefit manager does not submit a properly completed renewal
- 110 application to the board prior to the expiration of the permit, the permit shall be rendered null and
- 111 void. A pharmacy benefit manager shall not operate with an expired permit. The continued
- 112 operation of a pharmacy benefit manager with an expired permit shall constitute sufficient basis
- 113 for the board to issue a finding for the operation of a pharmacy benefit manager without a valid
- 114 permit, in violation of R.S. 40:2865.
- 115 4. A pharmacy benefit manager permit not renewed by 30 days after the expiration date shall be
- 116 automatically terminated by the board.
- 117 C. Application for Reinstatement of Terminated, Suspended, or Revoked Permit
- 118 1. The applicant shall complete the application form for this specific purpose supplied by the board
- 119 2. Upon the receipt of a properly completed application form, the board staff shall refer the
- 120 application to the board's reinstatement committee for its consideration and shall notify the
- 121 applicant of the time and place for the committee meeting.
- 122 D. Maintenance of Permit
- 123 1. A pharmacy benefit manager permit shall be valid for the entity to whom it is issued and shall not
- 124 be subject to sale, assignment or other transfer, voluntary or involuntary.
- 125 2. Upon receipt of a written request and payment of the fee authorized in R.S. 37:1184, the board
- 126 shall issue a duplicate or replacement permit to the applicant; however, such duplicate or
- 127 replacement permit shall not serve or be used as an additional or second permit.
- 128 3. In the event the pharmacy benefit manager contemplates permanent closure of the pharmacy
- 129 benefit manager business, the owner of the permit shall notify the board, in writing, 10 days prior
- 130 to the anticipated date of closure and surrender its permit.

131 AUTHORITY NOTE: Promulgated in accordance with R.S. 37:1253.

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

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