

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 {vacancy}
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 {vacancy}
President, La. Academy of Medical Psychologists
President, La. Association of Health Plans
President, Pharmacy Benefit Manager *licensed by the Board of Pharmacy and selected by the Pharmaceutical Care Management Association* {vacancy}
President, La. Association of Business & Industry {vacancy}
Chief Executive Officer, La. Business Group on Health
President, La. AFL-CIO
President, La. Association of Health Underwriters

The advisory council shall provide monitoring of pharmacy benefit managers in Louisiana to advise the legislature, commissioner of insurance, and Board of Pharmacy on the most effective and efficient manner of regulation of pharmacy benefit managers to ensure the protection of the public. The advisory council shall advise on matters that include but are not limited to the licensure and regulation of pharmacy benefit managers set forth in Title 22, Title 37, and Title 40 of the Louisiana Revised Statutes of 1950, applicable rules and regulations of state agencies, and federal laws or rules relative to pharmacy benefit managers. [La. R.S. 40:2869]

Meeting Minutes

July 7, 2021

A regular meeting of the council was held on Wednesday, July 7, 2021 in the Poydras Hearing Room at the Department of Insurance, located at 1702 N. Third Street in Baton Rouge, Louisiana.

1. Call to Order

Mr. Jeffrey Zewe, Chair, called the meeting to order at 10:30 a.m.

2. Quorum Call

Mr. Zewe called upon Mr. Malcolm Broussard to call the roll of members to establish a quorum.

Members Present:

- Mr. Jeff Zewe (Dept. of Insurance)
- Mr. Carl Aron (La. Board of Pharmacy)
- Mr. D. Jeddie Smith, Jr. (La. Attorney General)
- Ms. Lauren Bailey (La. State Medical Society)
- Ms. Crystal Carter (La. Pharmacists Association)
- Mr. Randal Johnson (La. Independent Pharmacies Association)
- Ms. Shelly Dupre (National Association of Chain Drug Stores)
- Dr. Joseph Comaty (La. Academy of Medical Psychologists)
- Mr. Jeff Drozda (La. Association of Health Plans)
- Ms. Diane Davidson (La. Business Group on Health)
- Mr. Josh Sonnier (Louisiana AFL-CIO)

Members Absent:

- La. State Board of Medical Examiners
- La. Dept. of Justice – Public Protection Division
- La. Dept. of Health
- La. Academy of Physician Assistants
- La. Association of Nurse Practitioners
- Pharmaceutical Research & Manufacturers of America
- PBM licensed by Board of Pharmacy and selected by PCMA
- La. Association of Business & Industry
- La. Association of Health Underwriters

Staff Present:

- Mr. Malcolm Broussard (La. Board of Pharmacy)

Guests Present:

- Mr. Marty McKay (La. Board of Pharmacy)
- Mr. Robert Rieger (Adams & Reese)
- Mr. David Lavergne (Blue Cross Blue Shield of La.)

Mr. Broussard certified 11 of 20 members were present, constituting a quorum for the conduct of official business.

3. Consideration of Minutes from Previous Meeting

Mr. Zewe asked if there were any corrections to be made to the draft minutes of the

previous meeting on April 14, 2021 which had been circulated to the members. Hearing no corrections and without objection, Mr. Zewe declared the minutes were approved as presented.

4. Opportunity for Public Comment

Mr. Zewe solicited general public comments about non-agenda matters; there were none.

5. Election of Council Officers

Mr. Zewe conducted the annual election of council officers. He reminded the members the two council officer positions were chair and vice chair and that the incumbent vice chair was Mr. Jeddie Smith. He noted the term of office was one year and the officers would assume their respective positions upon their election. He then solicited nominations for the office of vice chair. Mr. Smith was nominated; however, he declined the nomination to avoid an appearance of any conflict of interest given the adoption of Act 399 of the 2021 Legislature. (*The new law created the Occupational Licensing Review Program within the Office of the Attorney General.*) Mr. Jeff Drozda was nominated and then elected by acclamation. Mr. Zewe then solicited nominations for the office of chair. Mr. Zewe was nominated and then re-elected by acclamation.

6. Review of Industry Trends and Emerging Issues

Mr. Zewe solicited comments or suggestions for this standing agenda topic; there were none.

7. Review of Rulemaking Activity

Mr. Zewe informed the members the Board of Pharmacy had promulgated its rule relative to the licensing and regulation of pharmacy benefit managers. Mr. Broussard reported the rule was promulgated on May 20, 2021 with an immediate effective date. In addition, the rule indicated an August 1, 2021 deadline for the receipt of applications from PBM firms currently engaged in the practice of pharmacy. Finally, he reported the receipt of two PBM permit applications which were currently in process.

Mr. Zewe informed the members of Act 192 of the 2021 Legislature which provides for the licensure of pharmacy services administrative organizations and requires the commissioner to promulgate rules that define the roles and responsibilities solely within the purview of pharmacy benefit managers and pharmacy services administrative organizations. He indicated the department was preparing a bulletin inviting stakeholders to submit information to the commissioner to inform those rules. He indicated the bulletin would be disseminated through the council distribution list and encouraged further distribution to other interested stakeholders.

8. Calendar Notes

Mr. Zewe reminded the members of their meeting schedule preference: 10:30 a.m. on the second Wednesday of the first month of the calendar quarter. He indicated the next meeting was scheduled for October 13, 2021, and that the Board of Pharmacy intends to host the meeting at its office. Proposed meeting dates for Calendar Year 2022 will be announced at that October 2021 meeting.

9. Other Matters

Mr. Zewe reminded the members that following the failure of SB 218 (a bill proposed to further amend the PBM law) to advance during the 2021 legislative session, the chair of the House Committee on Insurance encouraged the stakeholders to discuss their concerns and grievances at the PBM Monitoring Council so the council could inform the legislature about any necessary corrective actions. Mr. Zewe encouraged the members to bring their concerns to the next meeting in October.

Mr. Zewe asked if there were any other matters for the council's consideration that day; none were requested.

10. Adjourn

Having completed the tasks itemized on the posted agenda, with no further business pending before the council, and without objection, Mr. Zewe adjourned the meeting at 10:43 a.m.

Minutes prepared by Malcolm Broussard, Executive Director, La. Board of Pharmacy; approved as presented during subsequent meeting of the Council on October 13, 2021.