BULLETIN 2021-06

TO: ALL HEALTH INSURANCE INSURERS, HEALTH MAINTENANCE ORGANIZATIONS, THIRD-PARTY ADMINISTRATORS AND PHARMACY BENEFIT MANAGERS

FROM: JAMES J. DONELON, COMMISSIONER OF INSURANCE

RE: REQUEST FOR INFORMATION REGARDING THE ROLES AND RESPONSIBILITIES OF PHARMACY BENEFIT MANAGERS AND PHARMACY SERVICES ADMINISTRATIVE ORGANIZATIONS PURSUANT TO ACT 192 OF THE 2021 REGULAR LEGISLATIVE SESSION

DATE: AUGUST 17, 2021

The purpose of Bulletin 2021-06 is to solicit input from interested stakeholders regarding the roles and responsibilities solely within the purview of pharmacy benefit managers (PBMs) and pharmacy services administrative organizations (PSAOs). Act 192 of the 2021 Regular Legislative Session (Act 192) provides for the regulation of PSAOs and charges the Louisiana Department of Insurance (LDI) with promulgating rules that define the roles and responsibilities solely within the purview of PBMs and PSAOs.

A PBM is defined in La. R.S. 22:1641(8) as a person, business, or other entity and any wholly or partially owned or controlled subsidiary of such entity that administers the prescription drug or device portion of one or more health benefit plans on behalf of a third party, including plan sponsors, insurance companies, unions, and health maintenance organizations, in accordance with a pharmacy benefit management plan. The Louisiana Pharmacy Services Administrative Organization Licensing Act, enacted within Act 192, defines PSAOs as an entity that provides a contracted pharmacy with administrative, contracting, or payment services relating to prescription drug benefits. A PSAO is not responsible for any of the activities that are solely within the purview of a PBM. Therefore, it is necessary to clearly define the roles and responsibilities of PBMs and PSAOs. The LDI seeks feedback from stakeholders on the following questions:

1) What roles and responsibilities are appropriate for PBMs and should not be undertaken by PSAOs?

2) What roles and responsibilities are appropriate for PSAOs?
3) Are any roles and responsibilities shared between PBMs and PSAOs? Please identify any sharing which you believe to be appropriate and any sharing which you believe should be the sole responsibility of one entity or the other.

4) Please identify any existing behavior by PBMs which should instead be undertaken by PSAOs and vice versa.

5) Please provide any other information which you believe to be relevant.

Stakeholders are encouraged to submit written feedback to jeffrey.zewe@ldi.la.gov under the title “Response to Act 192 Request for Information” by November 1, 2021.

Baton Rouge, Louisiana, the 17th day of August 2021.

[Signature]
JAMES J. DONELON
COMMISSIONER OF INSURANCE