

House Committee on Insurance

Minutes of Meeting
2021 Regular Session
April 28, 2021

I. CALL TO ORDER

Representative Chad Brown, chairman of the House Committee on Insurance, called the meeting to order at 9:34 a.m. in Room 2, in the state capitol in Baton Rouge, Louisiana.

II. ROLL CALL

MEMBERS PRESENT:

Representative Chad Brown, chairman
Representative Mary DuBuisson
Representative Michael "Gabe" Firment
Representative Cedric B. Glover
Representative Kyle M. Green, Jr.
Representative Paul Hollis
Representative Mike Huval
Representative John R. Illg, Jr.
Representative Edmond Jordan, vice chairman
Representative Matthew Willard

MEMBERS ABSENT:

Representative Kathy Edmonston
Representative Lawrence "Larry" Frieman
Representative Sherman Q. Mack
Representative Danny McCormick

STAFF MEMBERS PRESENT:

Rashida Keith, attorney
Adam Patrick, attorney
Alicia Powell, committee administrative assistant

ADDITIONAL ATTENDEES PRESENT:

Sharon Bourque, sergeant at arms

III. DISCUSSION OF LEGISLATION

House Bill No. 244 by Representative Turner

Representative Turner presented House Bill No. 244, which provides for the regulation of pharmacy services administrative organizations.

Representative Brown offered amendments to:

- (1) Specify for the commissioner's registration fee to not exceed \$300.00;
- (2) Delete language that would have subjected pharmacy services administrative organizations to present law regulations for pharmacy benefits managers;
- (3) Delete language with respect to conflicts of interests, other conduct, and the duty of a fiduciary relationship owed by a pharmacy services administrative organization to a pharmacy;
- (4) Provide that a pharmacy services administrative organization is not responsible for the activities solely within the purview of a pharmacy benefits manager;
- (5) Require the commissioner of insurance to promulgate rules to define the roles and responsibilities solely within the purview of pharmacy benefits managers and pharmacy services administrative organizations;
- (6) Define the term "clean claim" and prohibit a plan sponsor or pharmacy benefits manager from retroactively reducing payments on clean claims unless certain conditions apply;
- (7) Require a pharmacy services administrative organization to provide a contracted pharmacy with access to the pharmacy's complete and unredacted contracts upon the pharmacy's request;
- (8) Provide that when a pharmacy services administrative organization has not yet received final payment, retroactive adjustments, or reconciliations from a plan sponsor or pharmacy benefits manager, or funds are being held to pay amounts owed by the pharmacy, proposed law does not apply; and
- (9) Make technical changes.

Representative Brown offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 9 yeas and 0 nays. Representatives Brown, DuBuisson, Firment, Green, Hollis, Huval, Illg, Jordan, and Willard voted yea.

Jeff Zewe, Louisiana Department of Insurance, 1702 N. Third St., Baton Rouge, LA 70802, (225) 342-0819, spoke for information only on House Bill No. 244.

Bernard LeBas, no address provided, (337) 831-7633, spoke in support of House Bill No. 244.

Josh Sonnier, Ironworkers Local 623, 6153 Airline Hwy, Baton Rouge, LA 70805, (225) 281-3118, spoke in opposition to House Bill No. 244.

Randal Johnson, Louisiana Independent Pharmacies Association, 543 Spanish Town Rd., Baton Rouge, LA 70802, (225) 334-9165, spoke in support of House Bill No. 244.

Representative Jordan offered a motion to report House Bill No. 244 with amendments. Without objection, House Bill No. 244 was reported with amendments by a vote of 10 yeas and 0 nays. Representatives Brown, DuBuisson, Firment, Glover, Green, Hollis, Huval, Illg, Jordan, and Willard voted yea.

Witness cards submitted by individuals who did not speak are as follows: 12 in support and 2 in opposition. Witness cards are included in the committee records.

House Bill No. 451 by Representative Davis

Representative Davis presented House Bill No. 451, which provides for discounts and insurance rate reductions for residential and commercial buildings built to, or retrofitted to, reduce the threat of loss due to windstorm events.

Rodney Braxton, State Farm, 543 Spanish Town Rd., Baton Rouge, LA 70802, (225) 381-0166, spoke in support of House Bill No. 451.

Representative Brown offered amendments to make technical changes. Representative Brown offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 10 yeas and 0 nays. Representatives Brown, DuBuisson, Firment, Glover, Green, Hollis, Huval, Illg, Jordan, and Willard voted yea.

Representative Brown offered amendments to make the application of the credits and discounts by insurers in present law permissive, rather than mandatory. Representative Brown offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 10 yeas and 0 nays. Representatives Brown, DuBuisson, Firment, Glover, Green, Hollis, Huval, Illg, Jordan, and Willard voted yea.

Representative Brown offered amendments to allow insurers required to submit rates and rating plans to the commissioner to either comply with the requirements of the State Uniform Construction Code or the Institute for Business and Home Safety. Representative Brown offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 10 yeas and 0 nays. Representatives Brown, DuBuisson, Firment, Glover, Green, Hollis, Huval, Illg, Jordan, and Willard voted yea.

Representative Glover offered a motion to report House Bill No. 451 with amendments. Without objection, House Bill No. 451 was reported with amendments by a vote of 8 yeas and 0 nays. Representatives Brown, DuBuisson, Firment, Glover, Green, Hollis, Jordan, and Willard voted yea.

Witness cards submitted by individuals who did not speak are as follows: 2 in support. Witness cards are included in the committee records.

IV. OTHER BUSINESS

There was no other business.

V. ANNOUNCEMENTS

There were no announcements.

VI. ADJOURNMENT

Representative Jordan offered a motion to adjourn. Without objection, the motion passed by a vote of 8 yeas and 0 nays. Representatives Brown, DuBuisson, Firment, Green, Hollis, Illg, Jordan, and Willard voted yea.

The meeting was adjourned at 10:23 a.m.

Respectfully submitted,

Chairman Chad Brown
House Committee on Insurance

Date adopted: