

# Spotlight on State: Louisiana

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See [Louisiana](#) page.

Louisiana has been active in legislative efforts to promote price transparency in health care. In recent terms, the state legislature introduced bills to tackle surprise billing by out-of-network specialists, proposing that patients should only be responsible for deductibles and copayment amounts that they would under the in-network terms of their insurance plans. The legislature is also taking steps to increase price transparency with a law aimed to reward people who shop for care. The proposed “Right to Shop Act” promotes higher value care by requiring insurance companies to offer incentive programs to enrollees for shopping for healthcare services at lower costs.

To address rising prescription drug prices, several Louisiana laws promote pharmaceutical price transparency. For example, the Louisiana Board of Pharmacy is required to post on a website prescription drug price information with a dedicated link prominently displayed on the board’s home page. Another law requires manufacturers engaging in marketing of prescription drugs in the state to report quarterly to the Louisiana Board of Pharmacy the current wholesale acquisition costs (WAC) for those drugs. The state also took various approaches to curb prescription drug costs by placing greater oversight over pharmacy benefit managers (PBMs). Enacted in 2018, the Pharmacist Communication with Patients Act prohibits PBMs from using “pharmacy gag clauses” that prevent pharmacists from telling consumers when there are cheaper prescription drug alternatives available. Additionally, state

law prohibits PBMs from retaining “spread pricing” amounts in excess of what they paid the pharmacist. Under this law, Medicaid PBM contracts must be limited to a set per transaction rate for every pharmacy claim paid. It also establishes an “any willing provider” clause to prohibit Medicaid managed care organizations or PBMs from denying Louisiana licensed pharmacies and pharmacists from the opportunity to participate in the plan provider networks. To add another layer of transparency, PBMs are required to disclose in an annual report the percentage of any rebates received from drug manufacturers for formulary drugs.

In the provider market, Louisiana law requires prior notice of mergers and acquisitions of nonprofit hospitals to the state attorney general. The AG must review the proposed transaction based on criteria of affordable access to care to approve, approve with conditions, or disapprove. To disapprove the proposed merger, however, the AG must go to court to challenge and enjoin the transaction. The state additionally prohibits non-compete provisions in contracts that restrict the practice of any lawful profession, trade, or business for up to two years from termination of employment. The legislature is also considering a bill that would prohibit restrictive covenants for primary care physicians, regardless of employer, or any physician employed by the state from the practice of medicine.