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DEPARTMENT OF JUSTICE
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Opinion 13-0070

Senator Fred Mills, Jr.
State Senator
District 22
1010 Martin Street
Parks, LA 70582

54 INSURANCE

La. Rev. Stat. 46:2625
La. Rev. Stat. 22:1856
La. Rev. Stat. 22:1641

Pursuant to La. Rev. Stat. 22:1856, each remittance advice generated by a health insurance issuer or its agent to a pharmacy or a pharmacist shall include, among other things, clearly identifying the ten cent per prescription provider fee established by La. Rev. Stat. 46:2625.

Dear Senator Mills:

Your opinion request has been assigned to me for research and reply. You have asked for our opinion as to whether a pharmacy benefit management company (PBM) is required to segregate and list separately on the remittance advice the PBM provides to a pharmacy pursuant to La. Rev. Stat. 22:1856, the ten cent per prescription fee authorized by La. Rev. Stat. 46:2625.

Your opinion request makes reference to Attorney General Opinion No. 02-0177, which opined that where an insurer contracts with a PBM to perform any one of the activities contained in La. Rev. Stat. 22:1641(1), formerly cited as La. Rev. Stat. 22:303(1), the PBM would meet the definition of a third party administrator and as such would be subject to the provisions of the Louisiana Insurance Code, Title 22 of the Louisiana Revised Statutes. Furthermore, as a third party administrator, the PBM was required to be licensed and was further required to reimburse a pharmacy for the ten cent provider fee established by La. Rev. Stat. 46:2625.

Turning attention now to the question presented, La. Rev. Stat. 22:1856 provides, in pertinent part, the following:

§ 1856. Thirty-day payment standard; limitations on claim filing and audits; remittance advice

A. A health insurance issuer may elect to utilize a thirty-day payment standard for compliance with R.S. 22:1853 by providing written notice to the commissioner. Such notice shall be in a form prescribed by the commissioner and shall remain in effect until

withdrawn in writing as may be required by the commissioner. Any health insurance issuer electing to utilize a thirty-day payment standard shall continue to meet all other requirements of this Subpart.

B. Health insurance issuers that limit the period of time that a pharmacist or pharmacy under contract for delivery of covered benefits has to submit claims for payment under R.S. 22:1853 or 1854 shall have the same limited period of time following payment of such claims to perform any review or audit for purposes of reconsidering the validity of such claims.

C. Each remittance advice generated by a health insurance issuer or its agent to a pharmacist or his agent or pharmacy or its agent shall be postmarked within seven business days of payment and shall include the following information, clearly identified and totaled for each claim listed:

- (1) Unique enrollee or insured identification number.
- (2) Patient claim number or patient account number.
- (3) Date that the prescription was filled.
- (4) National Drug Code.
- (5) Quantity dispensed.
- (6) Price submitted to the health insurance issuer or its contractor.
- (7) Amount paid by the health insurance issuer or its contractor.
- (8) Dispensing fee.
- (9) Provider fee.
- (10) Taxes.
- (11) Enrollee or insured liability, specifying any coinsurance, deductible, copayment, or noncovered amount.
- (12) Any amount adjusted by the health insurance issuer or its contractor and the reason for adjustment.

(13) Any other deduction or charge, listed separately.

(14) A toll-free telephone number for assistance with the remittance advice.

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La. Rev. Stat. 22:1856 clearly requires that the remittance advice identify and provide, among other things, the provider fee. In accordance with Attorney General Opinion No. 02-0177, it is the opinion of this office that each remittance advice generated by a health insurance issuer or its agent to a pharmacy or a pharmacist shall include the information listed in La. Rev. Stat. 22:1856. Such information includes, among other things, clearly identifying the ten cent per prescription provider fee established by La. Rev. Stat. 46:2625. The duty to provide this information in the remittance advice would extend to any PBM acting as an agent for a health insurance issuer.

We trust this adequately responds to your request. However, if our office can be of further assistance, please do not hesitate to contact us.

Yours very truly,

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BY:



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