



Thomas A. Schatz, *President*
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April 8, 2022

Louisiana Senate
State Capitol
900 North 3rd Street
Baton Rouge, LA 70804

Dear Senator,

You will soon vote on [SB 32](#). This legislation would impede and restrict pharmacy audits, making it more difficult to uncover and prevent waste, fraud, abuse, and mismanagement. On behalf of the 18,700 members and supporters of the Council for Citizens Against Government Waste (CCAGW) in Louisiana, I urge you to oppose this legislation.

SB 32 limits the ability of pharmacy benefit managers (PBMs), which administer plans for 266 million Americans nationwide, to conduct audits, which are one of several tools, including pharmacy networks, drug utilization review, formularies, specialty pharmacies, and mail-order, that PBMs use to drive down drug costs, improve quality, increase patient medication adherence, and prevent fraud. The legislation would require auditors to divulge in advance every prescription that will be audited, limits the number of prescriptions that can be audited, and changes the incentives for audits.

Louisiana already requires a two-week notice before any pharmacy audit can occur and allows only one audit annually per pharmacy. The bill would allow no more than 100 prescriptions to be audited and not allow compensation to be based on the amount directly or indirectly recovered. The lookback period would be reduced to one year.

Checks and balances are essential in every industry, and healthcare is no exception. Mitigating risk with effective audits keeps pharmacies accountable and patients safe. SB 32 limits the ability of auditors to do their job effectively and thus puts patients at risk. I urge you to oppose SB 32.

Sincerely,

Tom Schatz