



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 191** SLS 21RS 434
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 26, 2021	12:51 PM	Author: CLOUD
Dept./Agy.: Insurance and Office of Group Benefits		Analyst: Patrice Thomas
Subject: Protecting Patient Access to Physician-Administered Drugs		

INSURANCE POLICIES EG NO IMPACT See Note Page 1 of 1
 Provides relative to coverage of certain physician-administered drugs and related services. (gov sig)

Proposed law prohibits a health insurance issuer, pharmacy benefit manager, or their agent from refusing to authorize, approve, or pay a participating provider (clinic, hospital outpatient department or pharmacy) for providing covered physician administered drugs and related services to covered persons. Further prohibits a health insurance issuer, pharmacy benefit manager, or their agent from conditioning, denying, restricting, refusing to authorize or approve, or reducing payment to a participating provider for a physician-administered drug when all criteria for medical necessity are met. Proposed law prohibits a health insurance issuer, pharmacy benefit manager from requiring a covered person to pay an additional fee, or any other increased cost-sharing other than the amount to obtain the physician-administered drug when provided by a participating provider. Proposed law prohibits a pharmacy benefit manager from requiring an enrollee to pay an additional fee, higher copay, higher coinsurance, second copay, second coinsurance, or any other increased cost-sharing amount for a physician-administered drug when provided by a pharmacy, pharmacist, clinic, hospital, or hospital outpatient department.

EXPENDITURES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

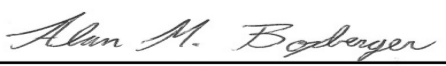
There is no anticipated direct material effect on governmental expenditures as a result of this measure. The proposed law prohibits a health insurance insurer, a pharmacy benefit manager (PBM), or their agents from refusing to authorize, approve or pay a participating healthcare provider in their provider network for providing physician-administered drugs and related services to a covered person. Since the proposed law provides prohibitions on existing benefits and is not a new mandate, the LA Department of Insurance (LDI) reports no direct material effect as a result of this measure.

The Office of Group Benefits (OGB) reports no direct material effect on pharmacy and medical claims expenditures under this measure. OGB has five self-funded health plans. None of OGB's plans have provisions that would prevent healthcare providers in their third-party administrator (Blue Cross and Blue Shield of LA) provider network and their pharmacy benefit manager (MedImpact) provider contracts from being reimbursed for physician-administered drugs. The majority of member claims in OGB's health plans for physician-administered drugs are processed as medical claims that are subject to medical necessity requirements.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

- | | | |
|---|----------------------------|--|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H} | | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H} | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |


Alan M. Boxberger
 Staff Director