



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **HB 357** HLS 25RS 394
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 20, 2025	3:08 PM	Author: FREEMAN
Dept./Agy.: Insurance, Office of Group Benefits, and Medicaid		Analyst: Anthony Shamis
Subject: Mandated Coverage for Integrative Cancer Treatments		

INSURANCE/HEALTH RE INCREASE GF EX See Note Page 1 of 2
 Requires health insurance coverage for integrative cancer treatments

Proposed law requires health insurance issuers that provide hospital, medical, or surgical benefits to cover integrative cancer treatments including acupuncture, scalp cooling systems, and cryotherapy when such treatments are recommended by nationally recognized cancer treatment guidelines. This requirement includes Medicare coverage.

Proposed law allows coverage required under this legislation to be subject to annual deductibles, coinsurance, and copayments established under the health coverage plan.

Proposed law applies to any new policy, contract, or health coverage plan issued on and after January 1, 2026. Any policy, contract, or health coverage plan in effect prior to January 1, 2026, shall convert to conform to the provisions of this Act on or before the renewal date, but no later than January 1, 2027.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						
REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law will result in an increase of \$46,318 to \$241,912 in FY 26 in two state agencies, with costs increasing in future fiscal years. Proposed law will increase Self-Generated Revenue expenditures by \$10,318 to \$61,912 within the Office of Group Benefits (OGB), as well as may increase State General Fund expenditures associated with a mandate to health insurance policies issued under the insurance exchanges by \$36,000 to \$180,000 beginning in FY 26 and subsequent fiscal years. Furthermore, proposed law will increase claims expenditures for the health insurance industry by an estimated \$45,000 to \$225,000 and premiums by an estimated \$53,000 to \$265,000 or \$0.07 to \$0.35 per member per month in FY 26 (see Expenditure Explanation on Page 2).

Office of Group Benefits Impact - \$10,318 to \$61,912 (Self-Generated Revenue Impact) in FY 26

Currently, all of OGB's five (5) self-funded health plans provide coverage for acupuncture and limited coverage for cryotherapy ablation. OGB excludes coverage of scalp cooling systems. Proposed law requires OGB to provide coverage for integrative cancer treatments.

To determine the impact of proposed law, OGB utilized data from its medical third-party administrator, Blue Cross and Blue Shield of LA (BCBSLA). The estimated impact on OGB's medical claims expenditures does not include claims expenditures incurred by Medicare-primary plan members enrolled in OGB's self-funded health plans. The expenditure impact is based on the projected annual claims costs for OGB to provide coverage for cryotherapy ablation for indicators not currently covered and new coverage for scalp cooling systems when used in connection with medical cancer treatments. Based upon the assumptions listed below and a tiered utilization rate (uptake), the expenditures to cover this benefit range are as follows:

	FY 25-26*	FY 26-27	FY 27-28	FY 28-29	FY 29-30	Total
Low	\$10,318	\$ 21,153	\$ 21,682	\$ 22,224	\$ 22,780	\$ 98,157
High	\$61,912	\$126,920	\$130,093	\$133,345	\$136,679	\$588,949

*6-months

Continue Explanation on Page 2

REVENUE EXPLANATION

The Office of Group Benefits (OGB) does not anticipate the proposed law to require premium increases, therefore there is no impact to self-generated revenues collected from premiums. OGB has indicated the estimated costs associated with integrative cancer treatments may be absorbed by the existing fund balance reserve. As of 3/31/25, the OGB Fund Balance was \$410.2 M.

Senate
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Patrice Thomas
Deputy Fiscal Officer



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CONTINUED EXPLANATION from page one:

EXPENDITURE EXPLANATION Continued from Page 1

Unless OGB Fund Balance is utilized, an SGF appropriation may be required to cover the state portion of the increase in premium costs, which is approximately 40%. The expenditure estimate is based upon requirements of the proposed law as well as the following assumptions: (1) As of 5/01/2025, the current OGB member population in the five self-funded health plans is 213,080, or 167,783 excluding Medicare primary members. Membership will remain constant. (2) The coverage will become effective on 1/01/2026. (3) No change in OGB self-funded health plan membership in future fiscal years from current levels. (4) The PMPM cost estimate provided by BCBSLA ranges from \$0.01 PMPM (low) to \$0.06 PMPM (high). (5) In future fiscal years, a medical inflation factor of 2.5% based on Consumer Price Index data for medical care in the Southern United States through the end of 2024.

Based on the aforementioned methodology, the assumption is that coverage will only be in place for 6 months in FY 26 due to the January 1st effective date, and a medical inflation (MI) factor of 2.5% compounding annually. Below are expenditure calculations:

Expenditure Calculations = membership population x PMPM cost x 12 months

Base Cost (Low) = \$ 20,134 = 167,783 x \$0.01 x 12 months
Base Cost (High) = \$120,804 = 167,783 x \$0.06 x 12 months

FY 26 (Low) = \$ 20,637 = \$ 20,134 x 2.5% MI (\$ 8,284 SGF)
FY 26 (High) = \$123,824 = \$120,804 x 2.5% MI (\$49,705 SGF)

FY 29 (Low) = \$ 22,224 = \$ 21,682 x 2.5% MI (\$ 8,921 SGF)
FY 29 (High) = \$133,345 = \$130,093 x 2.5% MI (\$53,526 SGF)

FY 27 (Low) = \$ 21,153 = \$ 20,637 x 2.5% MI (\$ 8,491 SGF)
FY 27 (High) = \$126,920 = \$123,824 x 2.5% MI (\$50,947 SGF)

FY 30 (Low) = \$ 22,780 = \$ 22,224 x 2.5% MI (\$ 22,780 SGF)
FY 30 (High) = \$136,679 = \$133,345 x 2.5% MI (\$136,679 SGF)

FY 28 (Low) = \$ 21,682 = \$ 21,153 x 2.5% MI (\$ 8,703 SGF)
FY 28 (High) = \$130,093 = \$126,920 x 2.5% MI (\$52,221 SGF)

Total (Low)* = \$108,476 (\$ 43,543 SGF)
Total (High)* = \$650,861 (\$261,264 SGF)
*The Total does not include the Base Costs.

Furthermore, OGB does not anticipate expenditures associated with proposed law to necessitate premium increases for members, and any additional expenditures will be funded by its fund balance (see Revenue Explanation). However, the cost increase for OGB is ultimately indeterminable and dependent upon the submission of claims utilizing integrative cancer treatments. Furthermore, a determination of medical necessity being required for claims reimbursement may further serve to mitigate OGB's potential cost exposure. Because the aforementioned factors are unknown, the extent of the cost increase is indeterminable.

Insurance Exchanges Impact - \$36,000 to \$180,000 (State General Fund Impact) in FY 26

Proposed law may increase SGF expenditures beginning in FY 26 and subsequent fiscal years according to an analysis provided by the health actuary at LDI. The state would be required to fund health claims expenditures associated with integrative cancer treatments in proposed law for policies issued by qualified health plans through the health insurance exchange beginning in FY 26 with estimated costs of \$36,000 (low) to \$180,000 (high). Claims expenses associated with proposed law would be paid out by the State Treasury Department. LDI bases this analysis on the following assumptions: the calculations are on a fiscal year basis; the exchange population is approximately 300,000 and the insured population is assumed to be stationary; fixed start-up costs that are not subject to inflation; the premium loss ratio is 85%; and the estimated cost of \$0.01 PMPM (low) to \$0.05 PMPM (high) over the entire insured population. Based upon the aforementioned assumptions, the estimated annual cost increases for insurance providers associated with claims are as follows:

Aggregate Cost Determination (prepaid for 12 months)
(exchange population x PMPM cost x 12 months)
FY 26 (Low) - 300,000 x \$0.01 PMPM x 12 months = \$ 36,000
FY 26 (High) - 300,000 x \$0.05 PMPM x 12 months = \$180,000

PRIVATE INSURANCE IMPACT

Pursuant to R.S. 24:603.1, the information below is the projected private insurance impact of proposed law. Based upon an actuarial analysis prepared by LDI, the proposed law is anticipated to increase expenditures associated with claims by \$45,000 (low) to \$225,000 (high) and premium increases by \$53,000 (low) to \$265,000 (high) for private insurers and the insured. LDI bases this analysis on the following assumptions: the calculations are on a fiscal year basis; the exchange population is approximately 750,000 and the insured population is assumed to be stationary; medical inflation (MI) rate of 3%; first-year shock (common variation) is 5%; the premium loss ratio is 85%; and the estimated cost is \$0.01 PMPM (low) to \$0.05 PMPM (high) over the entire insured population. Based upon the aforementioned assumptions, the estimated annual cost increases for insurance providers associated with claims are as follows:

Aggregate Cost Determination
(exchange population x PMPM cost x 6 months)
FY 26 (Low) - 750,000 x \$0.01 PMPM x 6 months = \$ 45,000
FY 26 (High) - 750,000 x \$0.05 PMPM x 6 months = \$ 225,000

Aggregate Extra Premium Determination
((PMPM cost x 6 months)/medical loss ratio)
FY 26 (Low) - (\$0.01 x 6 months)/85% = \$0.07
FY 26 (High) - (\$0.05 x 6 months)/85% = \$0.35

*6 months

Senate Dual Referral Rules
[X] 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
[] 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
[X] 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
[] 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Signature of Patrice Thomas
Patrice Thomas
Deputy Fiscal Officer