

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 369** SLS 26RS 248

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> March 31, 2026 5:17 PM	<b>Author:</b> BASS
<b>Dept./Agy.:</b> Louisiana Department of Insurance	<b>Analyst:</b> Anthony Shamis
<b>Subject:</b> Provides for prescription drug pricing	

PHARMACEUTICALS

OR SG EX See Note

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Provides for prescription drug pricing. (1/1/27)

Proposed law prohibits pharmaceutical manufacturers from offering for use of an Office of Group Benefits (OGB) insurance plan or any other state sponsored plan any drug at a price greater than the price Medicare pays for the same drug.

Proposed law provides that an insurer, pharmacy benefit manager (PBM) or person acting on behalf of a PBM shall not provide reimbursement for any name brand drug, biosimilar, or generic drug that is less than the price Medicare pays for the same drug.

Proposed law authorizes the the Commissioner of Insurance to enforce provisions of this measure.

Effective January 1, 2027.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>

**Annual Total**

REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>

**Annual Total**

**EXPENDITURE EXPLANATION**

Proposed law is anticipated to have an indeterminable impact on SGR expenditures within OGB beginning in FY 27 and continuing in subsequent fiscal years. The potential impact is associated with drug pricing restrictions for pharmaceutical manufacturers offering drugs through an OGB insurance plan or any other state sponsored plan. The Commissioner of Insurance is responsible for enforcement provisions. LDI reports no expenditure impact, and indicates that any administrative responsibilities associated with oversight and rulemaking can be absorbed within existing staff and resources.

Information provided by OGB indicates that requiring pharmaceutical drug manufacturers to offer OGB the same ingredient pricing as offered to Medicare is expected to reduce claims costs. However, the effect on pharmaceutical drug manufacturer rebates passed through to OGB by its PBMs is currently indeterminable. To the extent that the reduction in drug rebates is less than or equal to the decrease in gross claims costs, there would be no impact on OGB self-funded health plan expenditures. Conversely, if drug rebate amounts exceed the decrease in gross claims costs, OGB would experience a net increase in self-funded health plan pharmacy claims expenditures. OGB uses drug rebates to offset self-funded health plan pharmacy claims costs.

**REVENUE EXPLANATION**

Proposed law is anticipated to have an indeterminable impact on SGR revenue collections within OGB in FY 27 and continuing in subsequent fiscal years. This legislation prohibits an insurer, PBM, or person acting on behalf of a PBM from reimbursing any name brand drug, biosimilar, or generic drug at an amount less than the price Medicare pays for the same drug.

The impact on SGR revenue collections is dependent upon the level of claims expenditure savings resulting from pharmaceutical drug manufacturers offering OGB the same ingredient pricing as Medicare. To the extent such savings are greater than or equal to revenues generated through drug rebates, no additional SGR revenue will be required. Conversely, if revenues generated from drug rebates exceed the cost savings associated with reduced pricing, OGB may need to seek an increase in SGR authority derived primarily from premiums collected from active and retired plan members and their employing agencies. Such increases would be in addition to the anticipated need to increase premium rates in future plan years to address medical and pharmacy cost trends.

If OGB's fund balance is projected to fall below the actuarially recommended minimum fund balance target of \$309 million in any ensuing fiscal year, OGB may be required to implement premium rate increases and/or reduce medical and pharmacy claims expenditures by modifying self-funded health plan benefits and/or adjusting existing eligibility requirements. As of January 31, 2026, OGB reports a fund balance of \$406 million.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Alan M. Boxberger*

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**Legislative Fiscal Officer**