



**LEGISLATIVE FISCAL OFFICE  
Fiscal Note**

Fiscal Note On: **HB 919** HLS 26RS 796  
 Bill Text Version: **REENGROSSED**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

|  |         |                                  |
|--|---------|----------------------------------|
| <b>Date:</b> April 2, 2026                                     | 1:18 PM | <b>Author:</b> ECHOLS            |
| <b>Dept./Agy.:</b> Health, Insurance, Office of Group Benefits |         | <b>Analyst:</b> Cristian Nedelea |
| <b>Subject:</b> Pharmacy benefit managers                      |         |                                  |

INSURANCE/HEALTH RE +\$238,163 SG EX See Note Page 1 of 2  
 Provides relative to pharmacy benefit managers

Present law provides for duties, prohibited acts, unfair, and deceptive trade practices by a pharmacy benefit manager (PBM). Proposed law requires the PBM to reimburse under-reimbursed dispensing fees to independent pharmacies and pharmacists and restricts the PBM from assigning the reimbursement costs to plans, members, or pharmacies. Proposed law provides that the PBM shall not reimburse any pharmacy in the state an amount less than NADAC (or wholesale acquisition cost if NADAC is unavailable) for a prescription drug plus the LA Medicaid dispensing fee adjusted for inflation. Proposed law prohibits a PBM from operating a pharmacy that is owned or contracted by the PBM or its subsidiaries and it requires the PBM to list any foreign subsidiaries it may have. Proposed law requires the PBM to notify its beneficiaries or contracted entities of anything that presents a conflict of interest with its duties. The PBM is required to disclose all financial arrangements it may have with drug manufacturers. Furthermore, any payment or benefit the PBM derives based on the volume of prescription drug dispensing shall be passed in full to the covered entity. Proposed law establishes a fiduciary duty requiring PBMs to act in good faith, with honesty, and in the best interest of beneficiaries and contracted entities. Proposed law provides that failure of a PBM to meet the duties established by law shall be a violation of the Unfair Trade Practices and Consumer Protection Law provided for in R.S. 51:1401. Proposed law provides that Section 1 of this Act shall be retroactive to 1/01/2026.

| EXPENDITURES   | 2026-27          | 2027-28          | 2028-29          | 2029-30          | 2030-31          | 5 -YEAR TOTAL      |
|----------------|------------------|------------------|------------------|------------------|------------------|--------------------|
| State Gen. Fd. | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                |
| Agy. Self-Gen. | <b>\$238,163</b> | <b>\$241,886</b> | <b>\$251,561</b> | <b>\$261,624</b> | <b>\$272,089</b> | <b>\$1,265,323</b> |
| Ded./Other     | <b>SEE BELOW</b> | <b>SEE BELOW</b> | <b>SEE BELOW</b> | <b>SEE BELOW</b> | <b>SEE BELOW</b> |                    |
| Federal Funds  | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                |
| Local Funds    | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                |

**Annual Total**

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

**Annual Total**

**EXPENDITURE EXPLANATION**

Proposed law is anticipated to increase SGR expenditures within the Louisiana Department of Insurance (LDI) by \$238,163 in FY 27 and subsequent fiscal years. This increase is associated with the addition of two (2) T.O. positions, including one (1) Insurance Specialist 3 T.O. position and one (1) Insurance Specialist 4 T.O. position along with associated operating expenses and one-time equipment cost to administer complaint intake and processing, conduct compliance reviews and investigations, and market conduct examinations. The proposed legislation mandates pharmacy benefit managers (PBMs) to reimburse pharmacies for under-reimbursed dispensing fees, establishes dispensing fee guidelines, prohibits PBMs from operating pharmacies they own or contract with, imposes reporting transparency, and fiduciary duty requirements.

*NOTE: The LFO is unable to corroborate the estimated staffing level, operating expenses, and equipment costs projected by LDI. To the extent the required staffing levels may be lower or higher, corresponding operating costs would shift accordingly. To the extent that a portion or all of the prescribed duties can be absorbed by existing staff and resources, a portion of the projected costs may be mitigated. Should additional information regarding estimated expenditures become available, this fiscal note will be updated.*

**LDI (\$238,163 SGR):**

Personnel Costs (\$220,349 SGR):

LDI reports that salaries and related benefits associated with the addition of two (2) T.O. positions, including one (1) Insurance Specialist 3 T.O. position and one (1) Insurance Specialist 4 T.O. position will total \$220,349, including \$144,048 in salary and \$76,301 in related benefits for FY 27 (for half-year implementation beginning 1/1/27). A 4% percent growth factor is applied to these personnel costs in subsequent fiscal years.

**EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO**

**REVENUE EXPLANATION**

Proposed law is anticipated to have an indeterminable impact on Statutory Dedication revenue within LDI and the Department of Justice (DOJ). Proposed law provides that failure by a PBM to meet the prescribed duties shall be a violation of the La Unfair Trade Practices Act, which is accompanied by civil penalties up to \$5,000 per violation. The agency reports that any fines or penalties collected pursuant to the proposed law are indeterminable. The LFO assumes fines will be deposited into the Pharmacy Benefits Manager Enforcement Fund in accordance with La R.S. 22:1870.1, and used first to provide for the expenses of the commissioner of insurance and the attorney general.

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}

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**CONTINUED EXPLANATION from page one:**

Page 2 of 2

**EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE**

Operating Expenses (\$12,234 SGR):

In addition, LDI anticipates operating expenses of \$12,234 in FY 27, including office supplies (\$1,288), postage (\$274), telephone/data ports (\$708), printing (\$200), equipment maintenance (\$1,028), security (\$2,190), risk management (\$2,760), civil service (\$794), UPS (\$112), and software licenses (\$2,880). These operating expenses are also projected to increase by 4% annually beginning in FY 28.

Equipment Costs (\$5,580):

LDI further estimates the purchase of one-time equipment costs of \$7,180 in FY 27, including desks (\$1,000), chairs (\$600), personal computers/printers (\$3,000), and file cabinets (\$980). These costs are not anticipated to recur in subsequent fiscal years.

**EXPENDITURES**

| Position                            | FY 2027          | FY 2028          | FY 2029          | FY 2030          | FY 2031          |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Insurance Specialist 3 & 4 (2 T.O.) | \$220,349        | \$229,163        | \$238,329        | \$247,862        | \$257,777        |
| Operating Expenses                  | \$12,234         | \$12,723         | \$13,232         | \$13,762         | \$14,312         |
| Equipment                           | \$5,580          | \$0              | \$0              | \$0              | \$0              |
| <b>Total Expenditures</b>           | <b>\$238,163</b> | <b>\$241,886</b> | <b>\$251,561</b> | <b>\$261,624</b> | <b>\$272,089</b> |
| T.O.                                | 2                | 2                | 2                | 2                | 2                |

*NOTE: To the degree that violations are issued and fines levied against any entity under the provisions of proposed law, deposits into the Statutorily Dedicated Pharmacy Benefits Manager Enforcement Fund may allow the department to offset cost exposure against agency SGR. The LFO assumes revenues derived from fines would not be sufficient to completely offset costs estimated by LDI.*

**Senate**      Dual Referral Rules  
 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}

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