

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 94** SLS 21RS 260

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 4, 2021	6:38 PM	Author: HARRIS, JIMMY
Dept./Agy.: Insurance		Analyst: Patrice Thomas
Subject: Insurance Cost-Sharing Practices		

INSURERS OR NO IMPACT See Note
Provides relative to insurance cost-sharing practices. (gov sig)

Proposed law expands the definition of a Pharmacy Benefit Manager (PBM) to include either directly or through an intermediary manager, and the management or administration of a benefit plan may include review, processing of drug prior authorization requests, adjudication of appeals and grievances related to the prescription drug benefit, contracting with network pharmacies, and controlling the cost of covered prescription drugs. Proposed law provides for fairness in enrollee cost-sharing and provides for definitions. Proposed law provides that when calculating an enrollee's contribution to any applicable cost-sharing requirement, a health insurance issuer shall include any cost-sharing amounts paid by the enrollee or on behalf of the enrollee by another person. Proposed law provides the Commissioner of Insurance when implementing the proposed law shall regulate a health insurance issuer only to the extent permissible under applicable law.

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 provides that health insurance issuers (including their Pharmacy Benefit Manager) must include any cost-sharing amounts paid by the enrollee or on behalf of the enrollee when calculating an enrollee's contribution. The proposed law requires the Commissioner of the LA Department of Insurance (LDI) to implement provisions of cost-sharing practices of this measure. LDI reports that it is capable of handling any workload impact arising from the proposed law with existing budgetary and personnel resources.

The Office of Group Benefits (OGB) reports that they do not use the cost-sharing practices being prohibited under this measure. Under OGB's five self-insured health plans, drug manufacturer coupons are fully counted towards the members' cost-sharing obligations - the deductible and the maximum out-of-pocket limits.

REVENUE EXPLANATION

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

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}

Alan M. Boxberger

Alan M. Boxberger
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