

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 464** SLS 22RS 1097

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 19, 2022	11:02 AM	Author: TALBOT
Dept./Agy.: LDH		Analyst: Shawn Hotstream
Subject: genetic testing		

MEDICAID OR +\$1,494,445 GF EX See Note Page 1 of 1
Provides relative to Medicaid coverage for genetic testing of critically ill infants with no diagnosis. (8/1/22)

Propose law requires LDH to include coverage on a fee for service basis for rapid whole genome sequencing testing of an infant who is enrolled in a Medicaid managed care program and meets certain criteria.

EXPENDITURES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$1,494,445	\$1,538,609	\$1,774,056	\$2,045,450	\$2,361,455	\$9,214,015
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$107,250	\$308,688	\$355,438	\$409,750	\$472,313	\$1,653,439
Federal Funds	\$3,348,305	\$3,865,203	\$4,458,006	\$5,144,800	\$5,941,232	\$22,757,546
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$4,950,000	\$5,712,500	\$6,587,500	\$7,600,000	\$8,775,000	\$33,625,000

REVENUES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$107,250	\$308,688	\$355,438	\$409,750	\$472,313	\$1,653,439
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$107,250	\$308,688	\$355,438	\$409,750	\$472,313	\$1,653,439

EXPENDITURE EXPLANATION

Providing Medicaid coverage for whole genome sequencing testing is projected to result in approximately \$4.9 M in Medicaid expenditures in FY 23, increasing by approximately 15% annually. The estimate increase in expenditures is based on the following calculations and assumptions;

- 1) 396 babies eligible in FY 23 (based on approximately 5% of infants admitted to Level III and IV NICU in Louisiana)
- 2) \$12,500 cost of rapid sequencing test
- 3) \$4,950,000 first year Medicaid cost (\$12,500 * 396 babies)
- 4) 15% projected increase in cost in future years based on utilization

REVENUE EXPLANATION

Statutory Dedications in the revenue table above represent revenues generated from a 5.5% premium tax of the premiums paid to the managed care organizations.

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}

Evan Brasseaux
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Interim Deputy Fiscal Officer