



**LEGISLATIVE FISCAL OFFICE  
Fiscal Note**

Fiscal Note On: **SB 348** SLS 22RS 400  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> May 6, 2022	1:11 PM	<b>Author:</b> CLOUD
<b>Dept./Agy.:</b> Office of Group Benefits		
<b>Subject:</b> OGB Appeals Process for Denial of Medical Benefits		<b>Analyst:</b> Patrice Thomas

GROUP BENEFITS PROGRAM OR INCREASE SG EX See Note Page 1 of 1  
 Provides a process for the appeal of denied medical benefits by the Office of Group Benefits. (7/1/22)

Proposed law authorizes the Office of Group Benefits (OGB) to establish an appeals process to review denials of health benefits. Proposed law provides that the appeal process shall be subject to review and final approval by the House Committee on Appropriations (HAC) and the Senate Finance Committee (SFC) or subcommittees of these committees having jurisdiction over OGB rules no later than July 1, 2022. Proposed law creates a group benefits appeals subcommittee of the Joint Legislative Committee on the Budget (JLCB), which shall review appeals submitted to the subcommittee. Proposed law provides that any appeal for the request of benefits for the provision of health care that have been denied but are certified by a medical doctor as necessary for the immediate provision of life-saving measures shall be reviewed for approval by the group benefits appeal subcommittee of the JLCB within 10 days of the receipt of the appeal. Proposed law effective July 1, 2022.

EXPENDITURES	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Annual Total</b>						
REVENUES	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

Proposed law may result in an indeterminable, but minimal, increase in SGF expenditures associated with legislative per diem and travel reimbursements within the Legislature as well as an indeterminable, but significant, increase in personnel and claims expenditures within the Office of Group Benefits (OGB). The proposed law requires OGB to establish an appeals process for the denial of health benefits. Also, the proposed law creates the Group Benefits Appeals Subcommittee within the Joint Legislative Committee on the Budget (JLCB). OGB must submit the newly established appeals process to the subcommittee by July 1, 2022. The subcommittee shall review and give final approval to the newly established appeals process for the denial of health benefits through the Office of Group Benefits (OGB) no later than July 15, 2022. After the establishment of an appeal process, the subcommittee shall review all appeals certified by a medical doctor as necessary for the immediate provision of lifesaving measures within 10 days of receipt of the appeal.

**Office of Group Benefits**

Proposed law may result in an indeterminable increase in SGR expenditures within OGB to implement an appeal process for denial of health benefits. The Legislative Fiscal Office (LFO) assumes the agency can implement an appeal process utilizing existing staff, resources, and budget authority. To the extent that the agency cannot, OGB may require funding to hire additional staff. Also, the proposed law is anticipated to increase claims expenditures within OGB as the result of health benefits that were previously denied being covered under the appeals process. The number of plan members that will appeal and the costs of health services or pharmacy benefits granted after an appeal under this measure are indeterminable, but may be significant.

**Legislative**

Proposed law may increase SGF expenditures associated with legislative per diem and travel reimbursements as well as administrative support and resources of a newly created Group Benefits Appeal Subcommittee. Although the proposed law requires the new subcommittee to convene its initial meeting no later than July 15, 2022, the LFO cannot determine how frequently the subcommittee will meet. The LFO presumes that subcommittee meetings will coincide with regularly scheduled JLCB meetings. Therefore, any additional legislative expenses under this measure are anticipated to be minimal. The legislative per diem is \$168 plus mileage reimbursement, which is currently \$0.56 per mile.

**REVENUE EXPLANATION**

Proposed law will result in an indeterminable, yet significant, increase in self-generated revenues of OGB. The proposed law is anticipated to increase medical and pharmacy claims expenditures that may result in premium increases, therefore increasing self-generated revenues collected from premiums. The increase in medical and pharmacy claims expenditures will depend on the number of plan members that appeal denied claims, the nature of the medical service or pharmacy benefit of claims, and the number of claims approved by the Group Benefits Appeals Subcommittee.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Evan Brasseaux*  
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**Evan Brasseaux**  
 Interim Deputy Fiscal Officer