

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 32** SLS 22RS 23

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 5, 2022	6:53 AM	Author: MILLS, FRED
Dept./Agy.: Office of Group Benefits, Louisiana Department of Health		Analyst: Shane Francis
Subject:		

PHARMACISTS

EG SEE FISC NOTE SG EX

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Provides relative to pharmacy audits. (8/1/22)

Proposed legislation restricts pharmacy auditing by limiting auditor payment structures and inducing additional documentation and timelines requirements prior to and subsequently after a pharmacy audit is conducted. Additionally, pharmacy auditors will be prohibited from auditing more than 100 prescriptions annually for the pharmacy benefits plan represented.

EXPENDITURES	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.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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>
Annual Total						
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	\$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>
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 Office of Group Benefits (OGB) expects a small indeterminable increase in pharmacy expenditures but expresses confidence the potential loss of pharmacy audit recoupments can be absorbed. The Louisiana Department of Health (LDH) anticipates no impact from proposed legislation, claiming their MCOs are exempt from Title 22 in this instance pursuant to LA RS 22:1016.

Additional information: OGB provides pharmacy benefits for most state employees, retirees and their families using the pharmacy benefit manager, Express Scripts, Inc (ESI). ESI does not have sufficient plan experience to quantify specific increases resulting from proposed legislation's higher pharmacy audit barriers. These audits sometimes reveal fraud, waste and abuse in pharmacy claims, resulting in net reductions of pharmacy spend as the audit concludes. However, both ESI and OGB are unable to quantify the impacts of proposed legislation on recouped expenditures, as this measure provides specific pharmacy audit guidelines but does not prohibit audits themselves.

REVENUE EXPLANATION

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

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}

Evan Brasseaux

Evan Brasseaux
Interim Deputy Fiscal Officer