

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 578** HLS 23RS 858
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action: **W/ SEN FLOOR AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: June 5, 2023 9:12 AM **Author:** GLOVER
Dept./Agy.: Insurance, Office of Group Benefits, and Medicaid **Analyst:** Patrice Thomas
Subject: Coverage for Smoking Cessation Benefits Program

HEALTH/SMOKING REF SEE FISC NOTE See Note Page 1 of 1
 Provides relative to a smoking cessation benefits

Proposed law mandates coverage of a comprehensive smoking cessation benefits program by all private insurance plans and Medicaid. Proposed law requires six (6) months of smoking cessation benefits with a licensed physician recommendation and certification that benefits may help the person quit smoking. Proposed law provides all smoking cessation benefits are paid by private insurance, or Medicaid, meaning not subject to any co-payments, deductibles, and other cost-sharing. Proposed law provides the LA Department of Health (LDH) to promulgate rules and regulations and to promote the smoking cessation benefits through a statewide campaign. Proposed law effective January 1, 2024 (new health coverage plans) and no later than January 1, 2025 (existing health coverage plans).

EXPENDITURES	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>5 -YEAR TOTAL</u>
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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						
REVENUES	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>5 -YEAR TOTAL</u>
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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 state governmental expenditures as a result of this measure. Currently, all self-funded health plans by the Office of Group Benefits (OGB) cover smoking deterrent products to members with no cost share. The LA Department of Health (LDH), Medicaid program provides coverage for smoking cessation services without a co-payment. In addition, LDH is currently in the process of promulgating rules through the Administrative Procedure Act (APA) to expand coverage for tobacco cessation counseling to all Medicaid beneficiaries. Therefore, the proposed law is not anticipated to have an impact on healthcare expenditures within LDH or OGB.

The effect of this proposed law on local governmental expenditures is indeterminable. To the extent private insurers increase premiums of health insurance plans to local governmental units as a result of providing coverage for comprehensive smoking cessation benefits without co-payment, deductibles, or other cost-sharing, the proposed law may result in an indeterminable increase to local governmental expenditures.

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}

Evan Brasseaux

Evan Brasseaux
Interim Deputy Fiscal Officer