Louisiana Legislative	LEGISLATIVE FISCAL OFFICE Fiscal Note						
Office		al Note On: SB 300 SLS 24RS 506					
Fiscal Office Fiscal Notes	Bill Text Version: RE-REENGROSSED						
and the second s	Opp. Cha	Opp. Chamb. Action: w/ HSE COMM AMD					
	Proposed Amd.: Sub. Bill For.:						
Date: May 16, 2024	11:12 AM	Author: DUPLESSIS					
Dept./Agy.: Insurance and Off	ice of Group Benefits						
Subject: Coverage Pregnancy Related Nutrition Counseling/Lactation		Analyst: Patrice Thomas					
INSURANCE POLICIES	RR1 NO IMPACT See Note	Page 1 of 2					

Provides for health insurance coverage of pregnancy-related and postpartum healthcare services. (8/1/24)

If a health plan provides maternity service benefits, <u>proposed law</u> requires the plan to include coverage for the following: (1) nutrition counseling services provided by a licensed dietitian/nutritionist in the first trimester of the pregnancy, regardless of whether there is a diagnosis of gestational diabetes or any other chronic health condition; and (2) postpartum services provided by a qualified lactation care provider. <u>Proposed law</u> provides nutrition counseling and postpartum services may be subject to annual cost-sharing (deductibles, coinsurance, and copayments). <u>Proposed law</u> prohibits discriminatory language in any health coverage plan policy against licensed dietitians, nutritionists, qualified lactation care provider, or their services. <u>Proposed law</u> provides for the definition of a health plan, including the Office of Group Benefits. <u>Proposed law</u> is effective January 1, 2026, (new health coverage plans) and January 1, 2027, (existing health coverage plans).

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0
REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	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	\$0	\$0	\$0	\$0	\$0	\$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 Office of Group Benefits (OGB) reports no impact. The proposed law may result in a minimal increase in claims expenditures in the health insurance exchange (individual market), but will not result in any defrayal costs. Starting in 2026, under Federal regulations, states have limited authority to avoid defrayal costs in certain circumstances. Therefore, since the effective date of this proposed law is 1/01/2026, which is within the time frame of the new Federal authority, the LA Department of Insurance (LDI) actuary does not anticipate any defrayal costs.

Office of Group Benefits Impact (Self-Generated Revenue Impact)

OGB reports that through its contracted third-party administrator, Blue Cross and Blue Shield of Louisiana (BCBSLA), all of its five selffunded health plans already comply with the provisions of this measure. All of OGB's health plans provide preventative or wellness care required by the Patient Protection and Affordable Care Act (ACA). This includes services recommended by the U.S. Preventive Services Task Force with an "A" or "B" grade, which is covered at 100% of allowable charges from in-network providers. Therefore, OGB does not anticipate any increased medical claims as a result of this measure.

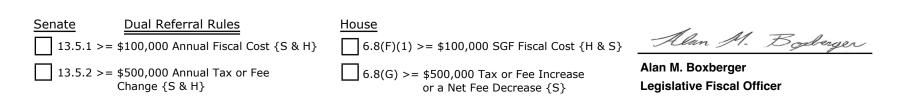
Insurance Exchanges Impact (State General Fund Defrayal Impact)

Proposed law may increase health claims expenditures for policies issued by qualified health plans through the health insurance exchange beginning in FY 26 with estimated costs totaling approximately \$103,000 to \$155,000 and a potential phase-up of \$120,000 to \$180,000 by FY 29. **Claims expenses associated with the proposed law are not anticipated to require state defrayal costs.** LDI bases this analysis on the following assumptions: the calculations are on a fiscal year basis; the exchange population is approximately 200,000 and the insured population is assumed to be stationary, entries equal exits; medical cost inflation (MI) is 8% in FY 26, then 5% in subsequent years; the premium loss ratio is 85%; and the estimated cost is between \$0.04 PMPM (low) and \$0.06 (high) PMPM over the entire insured population based on research and analysis, which represents a 0.01% annual premium increase of an average monthly premium/PMPM of \$650.

See EXPENDITURE EXPLANATION on page 2

REVENUE EXPLANATION

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



LEGISLATIVE FISCAL OFFICE **Fiscal Note**

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Opp. Chamb. Action: w/ HSE COMM AMD

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11:12 AM Date: May 16, 2024 Dept./Agy.: Insurance and Office of Group Benefits

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CONTINUED EXPLANATION from page one:

EXPENDITURE EXPLANATION continued from page 1

Based upon the aforementioned assumptions on page 1, the estimated annual cost increases for insurance providers associated with claims are as follows:

Aggregate Cost Determination* Aggregate cost = exchange population x PMPM cost x 12 months Base (Low) - 200,000 x \$0.04 x 12 months = \$ 96,000 Base (High) - $200,000 \times 0.06 \times 12$ months = 144,000FY 26 (Low) - \$ 96,000 x 8% MI = \$103,680 FY 26 (High) - \$144,000 x 8% MI = \$155,520 FY 27 (Low) - \$103,680 x 5% MI = \$108.860 FY 27 (High) - \$155,520 x 5% MI = \$163,300 FY 28 (Low) - \$108,860 x 5% MI = \$114,300 FY 28 (High) - \$163,300 x 5% MI = \$171,470 FY 29 (Low) - \$114,300 x 5% MI = \$120,020 FY 29 (High) - \$171,470 x 5% MI = \$180,040

*Estimated claims expenditures and premium increases are rounded.

PRIVATE INSURANCE IMPACT

Pursuant to R.S. 24:603.1, the information below is the projected impact of the proposed law on the private insurance market. Based upon an actuarial analysis prepared by LDI, the proposed law is anticipated to increase expenditures associated with claims by \$350,000 -\$525,000 and premium increases by \$412,000 - \$614,000 for private insurers and the insured in FY 26 with phase-up costs of an estimated \$405,000 - \$608,000 claims and \$473,000 - \$715,000 premiums by FY 29. LDI bases this analysis on the following assumptions: the calculations are on a fiscal year basis; the exchange population is approximately 675,000 (including 200,000 population in health exchanges) and the insured population is assumed to be stationary, entries equal exits; medical cost inflation (MI) is 8% in FY 26, then 5% in subsequent years; the premium loss ratio is 85%; and the estimated cost is between \$0.04 PMPM and \$0.06 PMPM over the entire insured population, which represents a 0.01% annual premium increase of a average monthly premium/PMPM of \$650. Based upon the aforementioned assumptions, the estimated annual cost increases for insurance providers associated with claims are as follows:

Aggregate Cost Determination*	Aggregate Extra Premium Determination*
(insured population x PMPM cost x 12 months x MI)	(PMPM cost x 12 months)/medical loss ratio x MI
Base (Low) - 675,000 x \$0.04 x 12 months = \$324,000	Base (Low) - (\$0.04 x 12 months)/85% = \$0.56
Base (High) - 675,000 x \$0.06 x 12 months = \$486,000	Base (High) - (\$0.06 x 12 months)/85% = \$0.85
FY 26 (Low) - \$324,000 x 8% MI = \$349,920	FY 26 (Low) - \$0.56 x 8% MI = \$0.61
FY 26 (High) - \$486,000 x 8% MI = \$524,880	FY 26 (High) - \$0.85 x 8% MI = \$0.91
FY 27 (Low) - \$349,920 x 5% MI = \$367,420	FY 27 (Low) - \$0.61 x 5% MI = \$0.64
FY 27 (High) - \$524,880 x 5% MI = \$551,120	FY 27 (High) - \$0.91 x 5% MI = \$0.96
FY 28 (Low) - \$367,420 x 5% MI = \$385,790	FY 28 (Low) - \$0.64 x 5% MI = \$0.67
FY 28 (High) - \$551,120 x 5% MI = \$578,680	FY 28 (High) - \$0.96 x 5% MI = \$1.01
FY 29 (Low) - \$385,790 x 5% MI = \$405,080	FY 29 (Low) - \$0.67 x 5% MI = \$0.70
FY 29 (High) - \$578,680 x 5% MI = \$607,614	FY 29 (High) - \$1.01 x 5% MI = \$1.06

*Estimated claims expenditures and premium increases are rounded.

Dual Referral Rules

Senate

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

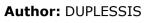
House

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. Boderger

Alan M. Boxberger Legislative Fiscal Officer



Analyst: Patrice Thomas

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Sub. Bill For.: