



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **HB 117** HLS 25RS 721
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 3, 2025	3:47 PM	Author: ECHOLS
Dept./Agy.: WORKFORCE COMMISSION		
Subject: Medical Fee Reimbursement Schedule for Workers' Comp		Analyst: Mimi Blanchard

WORKERS COMPENSATION OR +\$100,000 SD EX See Note Page 1 of 1
 Provides for adoption of a medical fee reimbursement schedule for workers' compensation

Current law requires the Assistant Secretary of the Office of Workers' Compensation in the Louisiana Workforce Commission to establish a workers' compensation medical fee reimbursement schedule based on the mean of usual and customary charges for care, services, treatment, drugs, and supplied recognized by the state. The Assistant Secretary may collect the necessary information and data to calculate the schedule, with annual adjustments allowed.

Proposed law retains current law but requires the medical fee schedule to be reasonable and similar when compared to the schedules of surrounding states. Proposed law mandates annual adjustments, inclusion of all external stakeholders in the calculation, and submission of quarterly reports to the House and Senate Labor Committees regarding the rate study and process. The initial reimbursement schedule shall be promulgated and become effective January 1, 2026.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$0
Ded./Other	\$100,000	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$100,000
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$100,000					\$100,000

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0					\$0

EXPENDITURE EXPLANATION

The proposed law requires the Louisiana Workforce Commission (LWC) to adjust the state's workers' compensation medical fee reimbursement schedule to align with rates in surrounding states. The schedule will dictate payments to all providers in the state for services related to workers' compensation. The Office of Risk Management (ORM) provides workers' compensation insurance for state employees. To the extent the bill affects the amount owed for medical reimbursements, premiums billed to state agencies may need to be adjusted as represented by SGR in the table above.

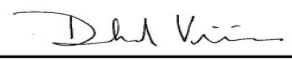
Implementing the proposed changes will require LWC to review surrounding states' reimbursement schedules, collect data, provide communication opportunities for all stakeholders and, ultimately, promulgate a revised medical fee schedule that will become effective January 1, 2026. Though LWC reports progress in completing a fee schedule, LFO believes the timeline for completion as mandated in the bill could result in significant additional costs, if the January 1, 2026 effective date is even achievable. Based on the expedited timeline of the bill and testimony during the 2024 Regular Session, LFO estimates upwards of \$100,000 could be required in additional contractual costs to meet the parameters of the bill and is the basis of the dual referral.

The Office of Workers' Compensation Administration (OWCA) will also be responsible for ongoing evaluations, communication with all external stakeholders, mandated annual adjustments, and quarterly reporting to the Legislature. LWC reports that these tasks can be handled with existing staff and will not result in any additional costs to the agency. LFO cannot corroborate or refute the ability of existing staff to handle on-going efforts of the schedule process but assumes once the schedule is in place and initial timelines are met, routine updates will be manageable.

REVENUE EXPLANATION

Annually, the Assistant Secretary determines an assessment to be collected by each employer to be deposited into the OWCA Fund for Office of Workers' Compensation program expenses. Additional expenses associated with the bill may or may not increase the annual workers compensation assessment. In FY 25, the fund has an appropriation of \$18.6 M with anticipated annual collections to date of \$18.6 M (official forecast of 12/9/2024) and a beginning balance of \$5.1 M.

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