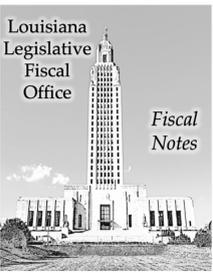


LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 919** HLS 26RS 796
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 17, 2026 6:21 PM	Author: ECHOLS
Dept./Agy.: Health, Insurance, Office of Group Benefits	Analyst: Cristian Nedelea
Subject: Pharmacy benefit managers	

INSURANCE/HEALTH OR +\$238,163 SG EX See Note Page 1 of 2
 Provides relative to pharmacy benefit managers

Present law provides for duties, prohibited acts, unfair, and deceptive trade practices by a pharmacy benefit manager (PBM). Proposed law provides in Section 1 that PBM is required to reimburse under-reimbursed dispensing fees to licensed pharmacies and restricts the PBM from assigning the reimbursement costs to plans, members, or pharmacies. Proposed law provides that the PBM shall not reimburse any pharmacy an amount less than the NADAC (or wholesale acquisition cost if NADAC is unavailable) plus the professional dispensing fee. Proposed law sets the floor amount for the dispensing fee to twelve dollars per prescription. Section 2 of the proposed law establishes duties of PBMs and imposes penalties for PBM violations. Proposed law prohibits PBMs from operating a pharmacy that is owned or contracted by a PBM or its subsidiaries and it requires the PBM to list any foreign subsidiaries it may have. Proposed law requires the PBM to notify its beneficiaries or contracted entities of anything that presents a conflict of interest with its duties. The PBM is required to disclose all financial arrangements it may have with drug manufacturers. Furthermore, any payment or benefit the PBM derives based on the volume of prescription drug dispensing shall be passed in full to the covered entity. Proposed law provides that Section 1 and 2 shall be retroactive for the calendar year 2025 while Section 3 and 4 (missing from the original bill) shall be effective on 1/01/2027.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$238,163	\$241,886	\$251,561	\$261,624	\$272,089	\$1,265,323
Ded./Other	SEE BELOW					
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0

Annual Total

REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW					
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0

Annual Total

EXPENDITURE EXPLANATION

Proposed law is anticipated to increase SGR expenditures within the Louisiana Department of Insurance (LDI) by \$238,163 in FY 27 and subsequent fiscal years. This increase is associated with the addition of two (2) T.O. positions, including one (1) Insurance Specialist 3 T.O. position and one (1) Insurance Specialist 4 T.O. position along with associated operating expenses and one-time equipment cost to administer complaint intake and processing, conduct compliance reviews and investigations, and market conduct examinations. The proposed legislation mandates pharmacy benefit managers (PBMs) to reimburse pharmacies for under-reimbursed dispensing fees, establishes dispensing fee guidelines, prohibits PBMs from operating pharmacies they own or contract with, imposes reporting transparency, and fiduciary duty requirements.

LDI (\$238,163 SGR):

Personnel Costs (\$220,349 SGR):

LDI reports that salaries and related benefits associated with the addition of two (2) T.O. positions, including one (1) Insurance Specialist 3 T.O. position and one (1) Insurance Specialist 4 T.O. position will total \$220,349, including \$144,048 in salary and \$76,301 in related benefits for FY 27 (for half-year implementation beginning 1/1/27). A 4% percent growth factor is applied to these personnel costs in subsequent fiscal years.

Operating Expenses (\$12,234 SGR):

In addition, LDI anticipates operating expenses of \$12,234 in FY 27, including office supplies (\$1,288), postage (\$274), telephone/data ports (\$708), printing (\$200), equipment maintenance (\$1,028), security (\$2,190), risk management (\$2,760), civil service (\$794), UPS (\$112), and software licenses (\$2,880). These operating expenses are also projected to increase by 4% annually beginning in FY 28.

Equipment Costs (\$5,580):

LDI further estimates the purchase of one-time equipment costs of \$7,180 in FY 27, including desks (\$1,000), chairs (\$600), personal computers/printers (\$3,000), and file cabinets (\$980). These costs are not anticipated to recur in subsequent fiscal years.

EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO

REVENUE EXPLANATION

Proposed law is anticipated to have an indeterminable impact on Statutory Dedication revenue within LDI and the Department of Justice. Proposed law provides for fines of up to \$10,000 tied to violations of the Louisiana Unfair Trade Practices Act. The agency reports that any fines or penalties collected pursuant to the proposed law are indeterminable. The LFO assumes fines will be deposited into the Pharmacy Benefits Manager Enforcement Fund in accordance with La R.S. 22:1870.1, and used first to provide for the expenses of the commissioner of insurance and the attorney general.

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}

Alan M. Boxberger
Alan M. Boxberger
Legislative Fiscal Officer



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 919** HLS 26RS 796
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 17, 2026 6:21 PM	Author: ECHOLS
Dept./Agy.: Health, Insurance, Office of Group Benefits	
Subject: Pharmacy benefit managers	Analyst: Cristian Nedelea

CONTINUED EXPLANATION from page one:

Page 2 of 2

EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE

Note: The LFO is unable to corroborate the estimated staffing level, operating expenses, and equipment costs projected by LDI. The LFO has requested LDI to provide detailed information on the assumptions and rationale used to estimate the additional T.O. positions needed to implement the requirements of this legislation. To the extent the required staffing levels may be lower or higher, corresponding operating costs would shift accordingly. To the extent that a portion or all of the prescribed duties can be absorbed by existing staff and resources, a portion of the projected costs may be mitigated. Should additional information regarding estimated expenditures become available, this fiscal note will be updated.

EXPENDITURES

Position	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Insurance Specialist 3 & 4 (2 T.O.)	\$220,349	\$229,163	\$238,329	\$247,862	\$257,777
Operating Expenses	\$12,234	\$12,723	\$13,232	\$13,762	\$14,312
Equipment	\$5,580	\$0	\$0	\$0	\$0
Total Expenditures	\$238,163	\$241,886	\$251,561	\$261,624	\$272,089
T.O.	2	2	2	2	2

NOTE: To the degree that violations are issued and fines levied against any entity under the provisions of proposed law, deposits into the Statutorily Dedicated Pharmacy Benefits Manager Enforcement Fund may allow the department to offset cost exposure against agency SGR. The LFO assumes revenues derived from fines would not be sufficient to completely offset costs estimated by LDI.

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}

Alan M. Boxberger
 Alan M. Boxberger
 Legislative Fiscal Officer