



**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**

Fiscal Note On: **HB 771** HLS 26RS 42  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> March 29, 2026 4:51 PM	<b>Author:</b> TAYLOR
<b>Dept./Agy.:</b> Office of Group Benefits, Insurance	
<b>Subject:</b> Medicare as the primary payer	<b>Analyst:</b> Cristian Nedelea

INSURANCE/HEALTH OR NO IMPACT See Note Page 1 of 1  
 Provides relative to Medicare as the secondary payer for retirees with employer-sponsored health insurance

Proposed law applies to Medicare eligible individuals previously retired from employment who subsequently return to active employment and become covered by any health insurance coverage. Under these conditions, proposed law requires that Medicare be treated as the primary payer. Proposed law prohibits a health insurance issuer from designating Medicare as a secondary payer, except where federal law expressly requires otherwise.

Proposed law does not require a health insurance issuer to take any action that would conflict or be preempted by 42 CFR 411.32 or other applicable federal regulations.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

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

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure within the Office of Group Benefits (OGB) and the Louisiana Department of Insurance (LDI). Proposed law applies to Medicare eligible individuals previously retired who subsequently return to employment and become covered by any health insurance coverage. For this specific group of Medicare eligible individuals, proposed law requires health insurance issuers to coordinate benefits, with Medicare being the primary payer and the health insurance issuer being the secondary payer. Proposed law does not require a health insurance issuer to take any action that is in conflict with any applicable federal regulations.

**OGB:**

The OGB and Blue Cross and Blue Shield of Louisiana (the third-party administrator for OGB's self-funded health plans) indicate that the proposed legislation is not anticipated to result in an increase in medical claims expenditures, as federal law expressly requires Medicare benefits to be secondary to benefits payable by a primary payer. Additionally, federal law requires Medicare to be the secondary payer for services covered by group health plans of employers with at least twenty employees. OGB indicates it will continue to coordinate benefits for its self-funded health plans in accordance with applicable federal and Medicare regulations. Retirees participating in an OGB health plan who return to benefit-eligible employment with an OGB participating employer are placed in a premium classification of re-hired retirees, without regard to their participation in Medicare.

**LDI:**

LDI anticipates that the proposed law will not have any expenditure impact within the department. This legislation affects the coordination of benefits requirements. LDI reports that the oversight of these provisions can be absorbed with the department's existing resources.

**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}

*Alan M. Boxberger*  
 Alan M. Boxberger  
 Legislative Fiscal Officer