

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 915** HLS 26RS 1002

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 31, 2026 11:25 AM	Author: DICKERSON
Dept./Agy.: Louisiana Department of Health	Analyst: Cristian Nedelea
Subject: Utilization management for managed care organizations	

MEDICAID OR SEE FISC NOTE GF EX Page 1 of 1
Provides with respect to utilization management practices

Present law provides for the prior authorization requirements of the Louisiana Department of Health (LDH) and managed care organizations (MCO), and for notice to the healthcare providers.

Proposed law provides that each MCO shall maintain written procedures for making utilization review determinations, notifying enrollees and providers of its determination, and completing utilization review determinations as expeditiously as the enrollee's health condition requires and within the time requirements set forth in the proposed law. Proposed law provides for time requirements for the MCO to make a standard service authorization determination or an expedited authorization determination when the standard service authorization timeframe could seriously jeopardize the enrollee's life.

Proposed law allows for retrospective review determinations within thirty calendar days of obtaining required clinical documentation. Proposed law prohibits the MCO from denying claims based upon the lack of prior authorization because it failed to make a determination within the time frame set forth in this legislation.

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

There may be an indeterminable impact on expenditures within the Louisiana Department of Health (LDH) beginning as early as FY 27.

The legislation establishes timeframes for managed care organizations (MCOs) to make service authorization decisions, requires retrospective review determinations within thirty days of receiving necessary documentation, and prohibits claim denials for lack of prior authorization if the MCO fails to meet these deadlines.

LDH indicates that, because MCOs assume the financial risk for utilization and claim payment under the capitation payment arrangements, any costs associated with these requirements would be absorbed by the MCOs. However, to the extent that the proposed law results in sustained changes in claims payments, future actuarially sound capitation rates may follow. Any magnitude of such change is indeterminable, as it is not possible to estimate the volume or value of claims that may be affected by MCO compliance with the timeframes required in proposed law. Any potential impact on expenditures would be realized in SGF and Federal expenditures, and potentially Statutory Dedications out of Medical Assistance Trust Fund.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. However, there may be an indeterminable impact in Statutory Dedications - MATF revenues within LDH beginning in FY 27. Any potential revenue change would be a direct result of the 5.5% premium tax collections levied on MCO capitation rate expenditures.

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

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Legislative Fiscal Officer