

**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **SB 433** SLS 26RS 1370
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 14, 2026 9:09 PM	Author: BOUDREAUX, GERALD
Dept./Agy.: Department of Health / Medicaid	
Subject: Medicaid coverage for weight loss medications	Analyst: Cristian Nedelea

MEDICAID OR INCREASE GF EX See Note Page 1 of 1
 Provides for Medicaid coverage of certain medications. (1/1/27)

Proposed law requires that each managed care organizations (MCO) in the LA Medicaid program cover FDA-approved weight loss medications prescribed by a licensed healthcare provider for a Medicaid recipient over the age of eighteen that meets either of the following criteria: (1) has a body mass index of thirty or higher and at least one associated comorbidity, including but not limited to type 2 diabetes, prediabetes, hypertension, or cardiovascular disease; or (2) has a body mass index of thirty five or greater. Proposed law requires prior authorization for coverage but limits prior authorization to verification of patient eligibility. It further limits initial authorization for coverage to six months and requires clinical improvements documented by the patient's healthcare provider for continued coverage. Proposed law prohibits step therapy requirements for coverage of weight loss medication or any other eligibility restrictions beyond those provided for in this legislation. This Act shall become effective on 1/01/2027.

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

EXPENDITURE EXPLANATION

Proposed law is anticipated to result in an indeterminable but potentially significant increase in SGF, Statutory Dedications out of the Medical Assistance Trust Fund – MATF, and Federal Funds expenditures within Louisiana Medicaid program in FY 27 and subsequent fiscal years. Proposed law requires that each MCO in the Medicaid program cover FDA-approved weight loss medications prescribed by a licensed healthcare provider for a Medicaid recipient over the age of eighteen that meets either of the following criteria: (1) has a body mass index of thirty or higher and at least one associated comorbidity, including but not limited to type 2 diabetes, prediabetes, hypertension, or cardiovascular disease; or (2) has a body mass index of thirty five or greater. The increase in pharmacy claim costs for Medicaid MCOs will be reflected across State General Fund (SGF), Statutory Dedications from the Medical Assistance Trust Fund (MATF), and Federal through increased per member per month (PMPM) payments.

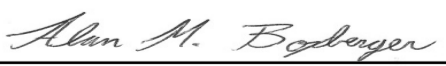
LFO has requested a fiscal note worksheet from the Louisiana Department of Health (LDH). At the time of publication, LDH is continuing to analyze the requirements of proposed law to determine potential expenditure impacts. Upon receipt of additional information regarding the projected expenditures associated with the requirements of this legislation, this fiscal note will be revised accordingly. At this time, LFO is unable to fully determine the fiscal impact without data and input from the department.

The LFO has predicated its dual referral under the provisions of Senate Rule 13.5.1 and House Rule 6.8(F)(1) based on the reported fiscal impact to OGB for similar requirements proposed in other legislation during the 2026 RS.

REVENUE EXPLANATION

Proposed law is anticipated to result in an indeterminable increase in Statutory Dedications - MATF revenues within LDH. The revenue increase is a direct result of the 5.5% premium tax collections levied on MCO per member per month (PMPM) expenditures. The increased expenditures anticipated from this legislation will be integrated into the actuarially sound PMPM payments made by LDH to MCOs, thus increasing premium tax collections. Because PMPM/premium tax collections are based on a calendar year and because the effective date is 1/01/2027, fiscal impact for FY 27 is \$0.

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


Alan M. Boxberger
 Legislative Fiscal Officer