



**LEGISLATIVE FISCAL OFFICE  
Fiscal Note**

Fiscal Note On: **SB 169** SLS 26RS 371  
 Bill Text Version: **ENGROSSED**  
 Opp. Chamb. Action:  
 Proposed Amd.: **w/ PROP HSE COMM AMD**  
 Sub. Bill For.:

<b>Date:</b> April 29, 2026 7:48 AM	<b>Author:</b> TALBOT
<b>Dept./Agy.:</b> Louisiana Department of Insurance/Group Benefits	<b>Analyst:</b> Anthony Shamis
<b>Subject:</b> Provides relative to biomarker testing	

GENETICS EG INCREASE GF EX See Note Page 1 of 2  
 Provides relative to biomarker testing. (gov sig)

Present law requires coverage for biomarker testing when clinical utility is demonstrated.

Proposed law prohibits conditioning coverage on laboratory classifications or credentialing standards that are unrelated to the performance of the covered test.

Proposed law resolves inconsistencies in present law regarding coverage for genetic testing to screen for cancer and biomarker testing for existing conditions.

Proposed law becomes effective upon signature of the governor, or after the lapse of time for gubernatorial action.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	
Agy. Self-Gen.	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</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>						
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.	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</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>						

**EXPENDITURE EXPLANATION**

Proposed law is anticipated to increase SGR expenditures for self-funded health plan medical claims within the Office of Group Benefits (OGB) by approximately \$3.5 million to \$4.7 million in FY 27, with costs increasing in subsequent fiscal years. The increase is attributable to provisions specifying that coverage applies to the biomarker test itself and shall not be conditioned on laboratory classifications or credentialing standards unrelated to the performance of the test. Proposed law further provides that the provisions of R.S. 22:1028.5 shall prevail over R.S. 22:1028.3 relative to required coverage for genetic testing for cancer, from which OGB reports it is currently exempt.

Note: OGB is currently working with its Third Party Administrator (TPA), Louisiana Blue, to assess any impacts related to the proposed amendments; however, additional time is needed to complete this analysis. Upon receipt of this information, this fiscal note will be updated to reflect any anticipated expenditure impacts.

The Louisiana Department of Insurance (LDI) reports no anticipated SGF defrayal costs as a result of the proposed law; however, there may be an indeterminable, but minimal, impact to the private insurance industry.

**OGB (\$3.5 M - \$4.7 M SGR):**

OGB's medical TPA estimates that this legislation may increase OGB claims expenditures to provide coverage for biomarker testing as required by this legislation by a cost ranging from \$1.72 to \$2.27 PMPM for OGB's self-funded health plan population, excluding Medicare primary members. Based upon the assumptions listed below, the expenditures to provide coverage for biomarker testing as required by this measure are as follows:

	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	Total
Low	\$3,533,237	\$3,610,968	\$3,690,409	\$3,771,598	\$3,854,574	\$18,460,786
High	\$4,663,052	\$4,765,639	\$4,870,483	\$4,977,633	\$5,087,141	\$24,363,948

**EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO**

**REVENUE EXPLANATION**

If claims expenditures cannot be absorbed by OGB's actuarially recommended target fund balance amount of \$309 M, it may be required to decrease or eliminate benefits currently available to participants of OGB's health benefit and life insurance programs, or seek additional revenue, either in the form of a direct appropriation from SGF, or by an increase in OGB's SGR through a premium rate increase for OGB's self-funded health plans.

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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**CONTINUED EXPLANATION from page one:**

**EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE**

Unless OGB Fund Balance is utilized, SGF appropriation will be required to cover the state portion of the increase in premium costs. SGF makes up approximately 42% of premium collections. As of 1/31/2026, OGB reports a \$406 M fund balance. The expenditure estimate is based upon requirements of the proposed law as well as the following assumptions: (1) as of 4/01/26, the current OGB member population in the five self-funded health plans is 167,499 (excluding Medicare primary members) and membership will remain constant. (2) Medicare-primary plan members are excluded from the calculations. (3) OGB will rely on the low-end and high-end PMPM cost estimates provided by Louisiana Blue. (4) No change in demand for biomarker testing from levels experienced in Plan Year 2025. (5) The coverage will become effective on 7/01/26. (6) In future fiscal years, a medical inflation factor of 2.2%, based on Consumer Price Index data for medical care in the Southern United States through the end of 2025.

Based on the aforementioned methodology, the PMPM cost estimates a range from a low of \$1.92 PMPM to a high of \$2.27 PMPM, and a medical inflation (MI) factor of 2.2% compounding annually. Below are expenditure calculations utilized to project the cost within OGB utilizing the assumptions listed above.

**Expenditure Calculations**

Expenditure Calculations = membership population x PMPM cost x 12 months

Base Cost (Low) = \$3,457,179 = 167,499 x \$1.92 x 12 months

Base Cost (High) = \$4,562,673 = 167,499 x \$2.27 x 12 months

FY 27 (Low) = \$3,533,237 = \$3,457,179 x 2.2% MI (\$1,473,998 SGF)

FY 27 (High) = \$4,663,052 = \$4,562,673 x 2.2% MI (\$1,945,335 SGF)

FY 28 (Low) = \$3,610,968 = \$3,533,237 x 2.2% MI (\$1,506,426 SGF)

FY 28 (High) = \$4,765,639 = \$4,663,052 x 2.2% MI (\$1,988,133 SGF)

FY 29 (Low) = \$3,690,409 = \$3,610,968 x 2.2% MI (\$1,539,567 SGF)

FY 29 (High) = \$4,870,483 = \$4,765,639 x 2.2% MI (\$2,031,871 SGF)

FY 30 (Low) = \$3,771,598 = \$3,690,409 x 2.2% MI (\$1,573,438 SGF)

FY 30 (High) = \$4,977,634 = \$4,870,483 x 2.2% MI (\$2,076,573 SGF)

FY 31 (Low) = \$3,771,598 = \$3,771,598 x 2.2% MI (\$1,608,054 SGF)

FY 31 (High) = \$4,977,634 = \$4,977,634 x 2.2% MI (\$2,122,257 SGF)

**Senate**

Dual Referral Rules

**House**

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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