LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 870** HLS 26RS 1085
Bill Text Version: **REENGROSSED**
Opp. Chamb. Action: **w/ SEN COMM AMD**
Proposed Amd.:
Sub. Bill For.:

Date: May 7, 2026 9:50 AM
Author: TURNER
Dept./Agy.: Louisiana Department of Insurance
Subject: Requirements for certain generic drugs and biosimilars
Analyst: Anthony Shamis

INSURANCE/HEALTH RE1 NO IMPACT See Note

Provides relative to formulary placement and cost-sharing requirements for certain generic drugs and biosimilars

Proposed law requires that if a generic drug or a biosimilar is approved or licensed pursuant to law and has a lower wholesale acquisition cost than its reference drug or product on the generic drug or biosimilar's initial date of marketing, a health insurance issuer that provides coverage shall do all of the following: (1) immediately make the generic drug or at least one biosimilar available on the plan formulary on a tier with more favorable cost-sharing, including actual out-of-pocket costs, than the cost-sharing applicable to the reference drug or product, (2) not impose prior authorization, step therapy, or any other limitation on the coverage of the generic drug or biosimilar which formulary placement is required that makes it more difficult for an enrollee to obtain coverage of access to the generic drug than the reference listed drug, (3) not impose any restrictions on the pharmacy through which an enrollee may obtain the generic drug or biosimilar product that makes it more difficult for an enrollee to obtain coverage of or access to the generic drug or biosimilar than the reference listed drug or product.

Proposed law provides that the requirements of this law shall remain in effect if the wholesale acquisition cost of the generic drug or biosimilar remains lower than the wholesale acquisition cost of the reference drug or product.

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.	$0	$0	$0	$0	$0	**$0**
Ded./Other	$0	$0	$0	$0	$0	**$0**
Federal Funds	$0	$0	$0	$0	$0	**$0**
Local Funds	$0	$0	$0	$0	$0	**$0**
Annual Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

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	$0	$0	$0	$0	**$0**
Federal Funds	$0	$0	$0	$0	$0	**$0**
Local Funds	$0	$0	$0	$0	$0	**$0**
Annual Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The Louisiana Department of Insurance (LDI) and the Office of Group Benefits (OGB) report no expenditure impact associated with the coverage requirements for generic drugs or biosimilar products required by this measure.

OGB indicates that the proposed law is not applicable to its operations. LDI anticipates no direct expenditure impact, as any oversight or implementation activities can be absorbed within existing staff and 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

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Legislative Fiscal Officer