



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 433** SLS 26RS 1370
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action: **w/ HSE COMM AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: May 27, 2026 9:40 AM	Author: BOUDREAUX, GERALD
Dept./Agy.: Department of Health / Medicaid	
Subject: Medicaid coverage for weight loss medications	Analyst: Cristian Nedelea

MEDICAID RE1 +\$3,000,000 GF EX See Note Page 1 of 1
 Provides for Medicaid coverage of certain medications. (1/1/27)

Proposed law requires Louisiana Medicaid program to provide coverage for FDA-approved weight loss medications that are medically necessary and are prescribed by a licensed healthcare provider for a Medicaid recipient. Proposed law provides that the coverage criteria for FDA-approved weight loss medications shall be established by the Louisiana Department of Health (LDH). It further provides that coverage may be subject to prior authorization as determined by LDH. Proposed law prohibits LDH or any Medicaid managed care organization (MCO) to require step therapy for coverage of weight loss medication. The LDH shall implement weight loss medication coverage in a manner that ensures fiscal sustainability consistent with federal requirements. The provision of this Act shall become effective when an Act of the Louisiana Legislature containing a specific appropriation of monies for the implementation of the provisions of this Act becomes effective. The provisions of this Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, the provisions of this law shall become effective on the day following such approval.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$3,000,000	\$6,360,000	\$6,741,600	\$7,146,096	\$7,574,862	\$30,822,558
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$7,000,000	\$14,840,000	\$15,730,400	\$16,674,224	\$17,674,677	\$71,919,301
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$10,000,000	\$21,200,000	\$22,472,000	\$23,820,320	\$25,249,539	\$102,741,859
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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0					\$0

EXPENDITURE EXPLANATION

The provision of proposed legislation are effective when an Act of the Louisiana Legislature containing a specific appropriation of monies for implementation becomes effective.

Louisiana Department of Health (LDH) anticipates that proposed law will result in an expenditure increase of \$10 M (\$3 M SGF and \$7 M Federal funds) in FY 27 (six months of payments, assuming an effective date of 1/01/2027), \$21.2 M (\$6.4 M SGF and \$14.8 M Federal funds) in FY 28 (full year cost), with costs increasing by 6% annually in subsequent fiscal years to capture implementation lag and long-term growth in services. Proposed law requires Medicaid to cover FDA-approved weight loss medications that are medically necessary and prescribed by a licensed healthcare provider, provides that LDH establishes coverage criteria, and allows for prior authorization by the LDH.

The expenditure projection is based on the following data, assumptions, and information provided by LDH:

- (1) Effective date: 1/01/2027
- (2) LDH has discretion to determine criteria for coverage of GLP-1 medications.
- (3) LDH estimated FY 27 cost (year 1, six payment months) to \$10,000,000, citing the difficulty in accurately predicting an uptake rate for year 1 without a defined population for coverage, as well as uncertainty regarding retention rates for members continuing therapy.
- (4) Starting in year 2, utilization is assumed to increase by 6% annually to capture implementation lag and long-term growth in services.
- (5) LDH estimated financing before rebates: \$3 M SGF in FY 27 (for six months) and \$6.4 M SGF in FY 28 (for a full year). LDH does not report any Statutory Dedications expenses out of the Medical Assistance Trust Fund (MATF).

Note: The LFO is unable to corroborate the expenditure estimates projected by LDH. The LFO has requested LDH to provide detailed information on the assumptions and methodology used to estimate the anticipated increase in Medicaid expenditures. To the extent that actual utilization of FDA-approved weight loss medications varies from projections, total costs would shift accordingly. Should additional information regarding estimated expenditures become available, this fiscal note will be updated.

REVENUE EXPLANATION

LDH does not report any Statutory Dedications revenues from the Medical Assistance Trust Fund (MATF). MATF revenue is a direct result of the 5.5% premium tax levied on payments to managed care organizations (MCO). To the extent that the increased expenditures anticipated as a result of this legislation are incorporated into the actuarially sound capitation payments made by LDH to MCOs, premium tax collections will increase.

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}

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