

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 29** SLS 18RS 121  
 Bill Text Version: **REENGROSSED**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 24, 2018 1:09 PM	<b>Author:</b> MILLS
<b>Dept./Agy.:</b> LA State Board of Medical Examiners/Board of Pharmacy	<b>Analyst:</b> Zachary Rau
<b>Subject:</b> Uniform Prescription Drug Prior Authorization Form	

HEALTH SERVICES RE SEE FISC NOTE SG EX See Note Page 1 of 1  
 Provides relative to a single uniform prescription drug prior authorization form. (1/1/19)

Proposed law requires the LA Board of Pharmacy and the LA State Board of Medical Examiners to develop a single uniform prescription drug prior authorization form for all health insurance providers, Medicaid managed care organizations, and their respective pharmacy benefit managers. Proposed law provides that the new form does not apply to specialty drugs or in cases where electronic prescriptions are utilized. Proposed law allows the LA Board of Pharmacy and LA State Board of Medical Examiners to consult with health insurance issuers, Medicaid managed care organizations, the LA Dept. of Health, and the LA Dept. of Insurance as necessary when developing the form. Proposed law authorizes the LA Dept. of Insurance to levy penalties against health insurance providers and Medicaid managed care organizations for failure to comply with the requirement of utilizing the single uniform prescription drug prior authorization form. Proposed law requires implementation of the form on or after January 1, 2019.

<b>EXPENDITURES</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						

<b>REVENUES</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>5 -YEAR TOTAL</b>
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Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

Proposed law will increase SGR expenditures for the LA State Board of Medical Examiners and the LA Board of Pharmacy by a nominal amount. The proposed legislation requires the boards to develop a single uniform prescription drug prior authorization form. The LA Board of Pharmacy reports requiring an additional meeting with total costs of \$2,500 associated with developing the form, as well as \$1,000 to promulgate rules associated with proposed law. Furthermore, the LA State Board of Medical Examiners will incur similar costs associated with meetings and rule making. Both boards will likely be able to absorb the reported expenditures with existing resources.

The LA Dept. of Insurance does not anticipate an increase in expenditures associated with levying penalties against health insurance providers for not utilizing the form.

**REVENUE EXPLANATION**

Proposed law allows the the LA Dept. of Insurance (LDI) to levy penalties against health insurance providers for not utilizing the form. Because it is unknown how many providers will be found in violation of proposed law and their associated penalties are similarly unknown, revenues for LDI that may accrue as a result of penalties are indeterminable.

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}

*Evan Brasseaux*  
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